

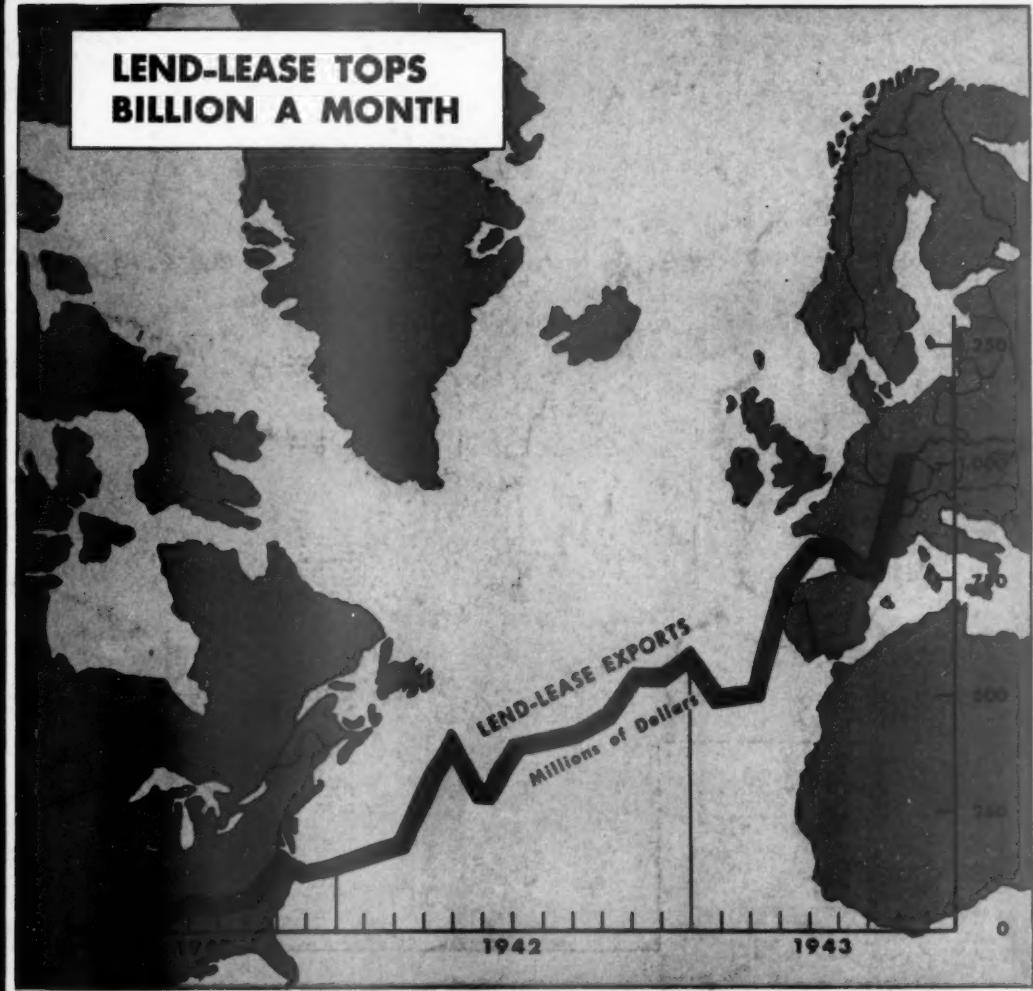
BUSINESS WEEK

WEEK
AGO

YEAR
AGO

START
OF WAR
1939

**LEND-LEASE TOPS
BILLION A MONTH**



BUSINESS
WEEK
EX

PUBLISHED BY THE McCRAW-HILL PUBLISHING CO.



A Sock on the Nose

WITH A
POINT TO IT!

TO HELP MAINTAIN
CAPACITY PRODUCTION
CALL IN
SOCONY-
VACUUM



for Correct
Lubrication

THAT FLAMING DIE is going to put
a point on the sizzling nose of a shell
body.

Our artist cut away part of the die.
Inside you can see an oil-and-graphite
compound ablaze from the heat of the
previous shell.

*The kind of compound that's used
is very important!* Unless the com-
pound is right the shell sticks in the die.
Valuable time is lost prying it loose.

Socony-Vacuum produced an oil just

right for this job. Here's our point:

Today, with production time virtually
a military weapon only the best in lub-
rication should be tolerated. "Know-how"
in making and applying lubricants con-
cerns experience —

*...and we've had 77 years' worth
the greatest in the world!*

SOCONY-VACUUM OIL CO., INC.—Standard
of N. Y. Div. • White Star Div. • Lubrite Div. • Chio-
Div. • White Eagle Div. • Wadham Div. • Mag-
Petroleum Co. • General Petroleum Corp. of Co-



No wonder he rode a brewery horse

WHEN the iron man of old rode forth to battle, he jogged along at a pretty conservative gait. What with his hand-wrought and riveted riding habit, chain-mail underwear, broad-sword, lance, et al, his steed had to be built for heavy-duty rather than speed.

That was the price he paid for protection. Perhaps it wasn't too high then, but it would be today. Our modern "cavalry of the air" has the superlative protection of Hycar synthetic rubber in bullet-sealing tanks and hose, in hydraulic seals and diaphragms. At the same time Hycar is light—saves 20% to 25% in weight over many other synthetics, and its resistance to oil-absorption keeps

it light. Speed, range and payload are the beneficiaries.

Aren't these the qualities you have wanted in oil, fuel and coolant hose, resilient mountings, vibration dampeners, gaskets, packing, seals and other resilient products you use? *Hycar Chemical Company, Akron, Ohio.*

Hycar

LARGEST INDEPENDENT PRODUCER OF
NITADIENE Synthetic Rubber IN AMERICA

Hycar is supplied in crude form to rubber fabricators. Because of its outstanding performance in war uses the demand far exceeds the supply. But now is the time to work out with your supplier of rubber products ways of obtaining Hycar for actual test in your own applications, both present and future. It's to your advantage to gain experience now against the day you will need new and even better rubber products. Our technical staff and laboratory are ready to help.



From the great forests all through the saw and finishing mills, mechanical rubber products play an important role in the many operations of the lumber industry. Transmission belts are needed for main power drives, for sawing the logs to length, for band saws, for edgers, counter shafts, hog service and other accessory machines. Conveyor belts are needed for handling slabs and for disposal of waste.

In finishing mills, high speed machinery requires flexible rubber transmission belting to operate on the small pulleys of planers, flooring machines, molders, edgers, etc. The chemical treating of lumber against deterioration and discoloration calls for hose of various types and rubber packings. Moreover, the constant hazard of fire in this entire industry necessitates an unusual amount of rubber-lined fire hose.

Knowing the heavy duty service to which belts are subjected in this industry, Republic Rubber engineers have created both fabric and cord types in conjunction with natural rubber and synthetics for woodworking machinery. Your Republic Rubber Distributor is well prepared to consult with you on mechanical rubber products for any type of service in your particular industry.



• Republic Distributors are providing invaluable service to industry engaged in the war production program—offering an organized service and saving time and trouble on equipment maintenance problems.



WE ARE
PARTICIPANTS IN THE
OWNERSHIP AND OPERATION
OF
NATIONAL SYNTHETIC RUBBER
CORPORATION

REPUBLIC RUBBER

YOUNGSTOWN



1 - OHIO

HOSE • BELTING • MOLDED GOODS

DIVISION OF

LEE RUBBER & TIRE CORPORATION

PACKING • EXTRUDED PRODUCTS

BUSINESS WEEK

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BUSINESS WEEK • OCTOBER 9 • NUMBER 1
(with which is combined The Annalist and Magazine of Business). Published weekly by McGraw-Hill Publishing Company, Inc., James H. McGraw, Founder and Honorary Chairman. PUBLICATION OFFICE, 99-129 NORTH BROADWAY, ALBANY 1, NEW YORK. EDITORIAL AND EXECUTIVE OFFICE, 330 W. 42ND ST., NEW YORK 18, N. James H. McGraw, Jr., President; Howard Ehrlich, Executive Vice-President; Curtis McGraw, Treasurer; J. A. Gerardi, Secretary. Allow ten days for change of address. About six weeks for mailing to foreign countries. Subscriptions address: J. E. Blackburn, Jr., Director of Circulation, Business Week, 330 W. 42nd Street, New York 18, N. Y.

Subscription rates—United States, Mexico, Central and South American countries \$5.00 per year. Canada \$5.50 for a year. Entered as second class matter December 4, 1936 at the Post Office at Albany, N. Y., under the Act of March 3, 1879. Return postage guaranteed. Printed in U. S. A. Copyright 1943 by the McGraw-Hill Publishing Company, Inc.

WASHINGTON BULLETIN

WHAT THE WASHINGTON NEWS MEANS TO MANAGEMENT

Line under Fire Again

The President's hold-the-line policy on prices and wages is again approaching a crisis.

He will find it hard to overcome the resistance that the farm bloc has mobilized against a plan to stabilize food prices by what amounts to consumer subsidies.

Furthermore, Washington expects the National War Labor Board to approve the agreement whereby Illinois coal operators will give John Lewis' miners in that state \$1.75 a day in the form of premium-paid overtime. This isn't a rate increase, but, if allowed to go into effect, Lewis will be free to turn the heat back on the rest of the industry, which doesn't feel as prosperous as the Illinois group.

And a Lewis victory in Illinois will be a challenge to other divisions of organized labor to launch a drive outflanking the Little Steel formula.

Labor Leaders Sticking

A.F.L. and C.I.O. leaders are still for Roosevelt—so far. Partly by reason of their forbearance, the hold-the-line policy still stands rather remarkably firm. They say that the statistical declines in essential living costs are sleight-of-hand stuff, but that they are not going to break the act yet.

Another Spiral?

As the situation sums up now, Roosevelt will seek and find labor support for getting the 1944 food subsidy program through Congress. But if that fight ends in a weak compromise, which is the aim of the farm bloc, and if in the meantime, Lewis is allowed any substantial gain—as does seem probable now—we'll be due for another turn up the inflationary spiral.

That won't be disastrous, however. We are nearer to the end of the war than to its beginning, and, even though the greatest threat of inflation is due in the period immediately following the end of the fighting in Europe, the Administration's step-by-step retreat has begun, and probably will continue to some time.

Product Ceilings Polished

OPA's program for slapping price ceilings on virtually all fresh fruits and vegetables at levels far below last winter's highs (BW-Sep. 18 '43, p17) was

getting a final polishing this week by Fred M. Vinson, Director of Economic Stabilization. OPA was all set to announce the first batch of ceilings when Vinson suddenly demanded that they be sent back to him for further revision.

Here's the Outlook

Growers' prices probably will be fixed, according to congressional formula, at parity or the top level reached between Jan. 1 and Sept. 15, 1942, whichever is higher. But an exception may be made for some vegetables whose prices were way out of line in the Jan. 1–Sept. 15 period.

OPA has cleared the ceilings with growers, thinks it can make them stick.

End of Amortization

With the bulk of the war plant expansion program completed, the government will refuse five-year tax amortization privileges on practically all new construction from now on.

An amendment to Army and Navy regulations, approved by the President this week, prohibits five-year amortization for any projects begun after Oct. 5, except in a few special cases. This ruling won't affect facilities already covered by a certificate of necessity, but it will limit contractors to normal depreciation allowances on any expansion undertaken in the future.

Cigarette Problem

The cigarette you smoke next year may bite more than this year's product. It has been a mediocre year for flue-cured tobacco, which makes up a little more than half of the contents of standard brands.

However, the gloomy Dept. of Commerce forecast that cigarette makers will get only 58% of what they got in

Other Washington reports in this issue include: Their Day in Court, page 14; Manpower Hump Still Ahead, 15; An Asking Price, 16; Air Policy Pleases, 18; Behind the CCC, 22; Lend-Lease Passes 15 Billions, 46; Housewife's Say, 76; Ration Book Poll, 76; Incentive O.K.'d, 100; Drive over Top, 105. Washington trends of importance to management are also discussed weekly in *The Outlook* and other regular departments of *Business Week*.

1942 won't mean that big a cut in production—may not mean a cut at all. Manufacturers can draw on their warehoused stocks and use tobacco that hasn't mellowed its full term, or they might even change their formulas and add more than the usual 35% burley, or even add "something new."

Something has to happen, of course; we've been using up more tobacco than we've been producing.

Low-Price Promotion

OPA and WPB's Office of Civilian Requirements will shortly announce a formal program for getting scarce, low-priced goods back on the market. First consideration will be given to textiles, but other consumer merchandise comes into the plan.

Tipoff on how the program will work out on specific items comes from the agencies' joint action on low- and popular-priced men's and children's underwear. After OCR announced that manufacturers of these lines would receive allocations of material and other aids to increased output (BW-Oct. 2 '43, p72), OPA came through with a temporary 6% price increase for the makers.

This particular boost is supposed to be absorbed at the distribution level, but increases in other lines may have to be borne (at least in part) by consumers.

Increase to Decrease

The new program assumes that consumers would rather pay a little more for merchandise in their accustomed price brackets than be forced by shortages into higher-priced lines. Thus OPA and OCR think they have a formula which will cut the cost of living by increasing prices.

Incidentally, OPA is miffed because OCR has been credited with pressuring it into this program. OPA planners say the idea originated with them.

Compromise on Fathers

Congress and the Administration have seized on the Bailey compromise as an escape from the dilemma of the fathers' draft. This proposal won't slow up induction of fathers, but it will make the system of deferments more uniform throughout the country, giving Selective Service appeal boards the power to review all occupational deferments.

Selective Service already is encourag-



Germans never had a George Washington

Germans never won a war for freedom.

Their nation was born in serfdom. Separate German states were united only by the brute force of Prussian drillmasters, instead of joining together voluntarily for the common good of all.

German industry has never known much about free enterprise. It has nearly always been part of some military dictator's machine.

That's why Germans don't know much about freedom. They have little in the way of traditions of brotherhood and democracy for which to fight. They never had a George Washington. Or a Thomas Jefferson. Or an Abraham Lincoln.

That's why no one in America today should count on the German people to rise

against their gangster rulers. At least, not until we have destroyed the armed might of those rulers.

That's why American industry must work harder and harder to kill German soldiers . . . with all of the energy, ingenuity and patriotism of a free people.



ETHYL CORPORATION
Chrysler Building, New York City

Our war job is manufacturing Ethyl fluid for improving the antiknock quality of fighting gasolines —and delivering it on time. Ethyl workers have been awarded the Army-Navy "E" for "outstanding achievement in producing war equipment."

WASHINGTON BULLETIN

(Continued)

ing the local boards to be liberal with deferments for fathers. Consequently, order numbers won't mean much in determining which fathers are inducted. Shoemakers, grocers, butchers, mail carriers may find themselves classed as "necessary men" in some districts.

A's Take Warning

With the board following a free-and-deferment policy and with physical rejections running high—probably 10% or more—reclassification of the A's will move fast.

Selective Service wants about 446,000 fathers this year, possibly 500,000 in 1944. This means most, if not all, of the 6,559,000 registrants formerly in A will come up for reclassification regardless of order number. Eventually the boards may have to tighten up on deferment policy in order to meet their quotas.



Highway Relief Move

Highway transportation, increasingly plagued by breakdowns, now has hopes for some relief.

WPB's Requirements Committee is rationing materials for replacements for medium and heavy trucks, trailers, and buses. This means that stuff that goes to brakes, axles, wheels will carry a rating of AA-1 instead of AA-2X in the first quarter of this year and the first quarter of 1944.

Government Truck Control

The trucking industry is passing its traffic clearing information centers over to the Office of Defense Transportation. Trucking companies, which are obliged to register each trip with these

centers and pay a 25¢ fee on each load to cover expenses, found it cost them too much, sometimes as much as \$150 a month if they had ten busy trucks.

ODT, primarily interested in cutting out trips by empty trucks, thinks government management will improve results but doesn't know yet where it will get the personnel to handle the job in its 142 district offices (the truckers got along with 71 clearing houses). ODT hasn't the money yet, either.

To find out if the trucking industry favored government operation of the registry centers, ODT queried 560 members, got replies from 218; 64% said that the agency should take over.



Italy's Coal Is Britain's Job

Shipping difficulties will force England to take on the unwanted job of supplying conquered Italy with coal. Top officials here say it may mean a chilly winter for Britons, who already face a fuel shortage, but colliers can't be spared for the long haul across the Atlantic.

Before the war, Italy imported about 12,000,000 tons a year, produced about 1,500,000.

The U. S. Army now is shipping some coal for distribution in conquered areas, but this will taper off as soon as the British come through.



The WFA-OPA Harmony

The War Food Administration seems really anxious to make a go of those industry advisory committees it set up jointly with the Office of Price Administration. Evidence of that is seen in its appointment of E. A. "Woody" Myer, deputy director of WFA's Food Distribution Administration, to the full-

time job of coordinating the committees.

J. H. Miller, administrative officer for the Food Price Division, will be Myer's opposite number from OPA.

Explanation

OPA's price chief, James F. Brownlee, and food price chief, Jean Carroll (both of them put in a stint at WFA), are anxious to harmonize OPA-WFA relations. The friction now is between people well down the line on both sides, but there are evidences that it is lessening even here.

One explanation: Some of OPA's lesser satellites have decided to set themselves up for permanent government careers, figure they had better learn how to get along.



Victory Harvest

Preliminary Dept. of Agriculture estimates indicate that the nation's 20,000,000-odd Victory Gardens should yield a total of 7,940,000 tons of produce before the year is out.

This is a comedown from the ten to twelve million tons predicted by the Gallup poll last spring, but it's still a lot better than hard-headed economists in the Bureau of Agricultural Economics originally expected.

Now Agriculture is plugging for 22,000,000 Victory Gardens next year.



Container Shrinkage

Most serious limiting factor on the output of civilian products may soon be the containers they are packed in. The Office of Civilian Requirements now considers containers its No. 1 problem.

One reason the container pinch is so

JOB SHUFFLE

Back to Moscow, this time as U. S. Ambassador, goes 52-year-old W. Averell Harriman (right) lend-lease coordinator in London, to succeed retiring Adm. William H. Standley. Slated to take over Harriman's duties is Philip D. Reed (left), General Electric's board chairman on leave, who is WPB deputy on the Combined Production & Resources Board (U. S., Britain, Canada) in London. Heading economic missions, Harriman went to Moscow with Lord Beaverbrook in 1941, and again with Prime Minister Churchill in 1942.





**Another building owner who got
more heat
with less fuel**

"Our first floor tenants complained of the heat... Our top floor tenants complained of the cold... Here's what the heating expert we consulted told us:

"Stop wasting valuable fuel! Convert your obsolete steam heating system into an economical and controllable Webster System—one that assures prompt heating-up, balanced distribution of steam, and even room temperature throughout the building. That's the only way you can get better heat distribution with the fuel allotted you."

Actual surveys made by Webster Engineers show that seven out of ten large buildings in America (many less than ten years old) can get up to 33 per cent more heat out of the fuel consumed.

If you are wondering how to obtain the same comfortable heating service in your building with less fuel this winter, write for "Performance Facts" and compare the performance information on the Webster Moderator System of Steam Heating. This free book contains case studies of 268 modern steam heating installations.



The Webster Outdoor Thermostat automatically changes heating rate when outdoor temperature changes. This device is part of the Webster Moderator System, a central heat control that is saving fuel for hundreds of America's commercial and institutional buildings.

WARREN WEBSTER & CO., Camden, N. J.
Pioneers of the Vacuum System of Steam Heating
Representatives in principal Cities : Est. 1888

ARMY
E
NAVY
Making Boosters for
U.S. Army Ordnance

Webster
Steam Heating

WASHINGTON BULLETIN (Continued)

bad is that waste paper collections are lagging; one reason waste paper collections are lagging is that many waste paper dealers (claiming they were squeezed by price ceilings) have gone into more remunerative employment.

Bootleggers at the Front

The Navy and the Maritime Commission are trying to put a stop to bootlegging by merchant seamen to members of the armed forces in South Pacific stations. Orders have been issued by Adm. W. F. Halsey, South Pacific naval commander, and Rear Adm. Emory S. Land, chairman of the Maritime Commission.

Halsey's order states that "the bootlegging of beer and alcoholic liquor by merchant seamen and local citizens at prices up to \$40 a quart has been reported in this area." Merchant ship captains have been ordered to make periodic searches of their vessels.

A Little Protection?

When OPA blocked off the U. S. market for Mexican huaraches (braided leather sandals) last June by putting them on the list of rationed footwear, the Office of Foreign Relief & Rehabilitation was ready to lend a good neighborly hand by buying them up for its European relief stockpile. The State Dept. has now put a damper on this program.

Reported reason is that the State Dept. has taken a protectionist turn and doesn't want to give Mexican industry a chance to build up foreign markets in competition with U. S. shoe manufacturers.

Apple Error

When news of the joint program of the War Food Administration and the Office of Price Administration to roll back consumer prices on an assortment of basic foods (BW-Sep.18'43,p17) first leaked out, Chester Bowles, OPA's general manager, told reporters it would mean retail price ceilings on apples of 9¢ to 10¢ per lb. As actually set this week, apple ceilings range from 10¢ to 11¢.

The increase is the result of pressure by growers on WFA and thence on Economic Stabilization Director Fred Vinson. OPA considers the boost (and the way it was handled by WFA and Vinson's office) a serious blow to the prestige of the new Bowles administration.

OPA Enforcement Changes

OPA is readying a couple of new administrative orders designed to eliminate the all-too-frequent conflict that occurs between price regulations and enforcement drives.

Inequitable price orders always bring on a flood of violations. In the past OPA's enforcement lawyers usually have warmed up for a crackdown on violators just when OPA's price divisions were getting ready to adjust the inequities.

Henceforth, the initiative for all enforcement drives will come from the price divisions and will have prior clearance with industry advisory committees on prices.

Guard at the Laundry Door

Here's some hope for the hard-pressed business man who is in the war but not of it.

WPB's Office of Civilian Requirements is being dealt in on the "a production urgency committees" set up to deal with the West Coast laundry shortage (BW-Sep.11'43,p96). A big part of OCR's job will be to see that other agencies represented—Army, Navy, Maritime Commission, etc.—don't siphon off too much manpower from such essential civilian services as laundries, restaurants, retail stores.

This sets a precedent for other labor shortage areas.

Capital Gains (and Losses)

Those production shifts that began in September plane production down from August's total of 7,600 will actually output a big push as soon as the changes over to most-needed types are completed.

Pacific Coast congressmen, irate over removal of war business from their constituents—notably small concern men—are now charging that the Coast laundry power shortage is a myth trumped up by Army and Navy. Reason: to maintain a reserve of labor handy against the time when demands of the Pacific war lay a vastly bigger load on West Coast ports.

New morals note: With the blessing of the Cleveland Regional War Labor Board, Ohio Crankshaft Co. and United Automobile Workers have agreed to outlaw not only sweater-wearing women workers—first banned at Uniroyal Aircraft's Bridgeport plant (BW-Oct.10'43,p90)—but also silk lounging jamas.

—Business Week
Washington Bureau

FIGURES OF THE WEEK

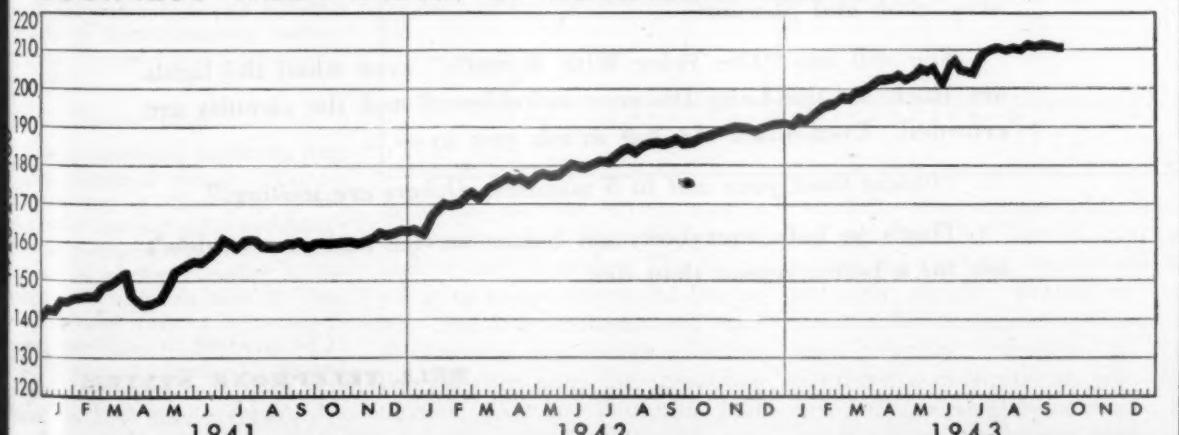
	\$ Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
THE INDEX (see chart below).	*\$211.8	+\$211.8	212.0	202.7	187.3
PRODUCTION					
Steel Ingot Operations (% of capacity).	100.8	100.8	100.3	99.6	98.6
Production of Automobiles and Trucks.	21,265	21,490	15,350	18,555	19,930
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands).	\$8,491	\$8,809	\$7,851	\$11,875	\$29,038
Electric Power Output (million kilowatt-hours).	4,359	4,360	4,351	3,890	3,683
Crude Oil (daily average, 1,000 bbls.).	4,328	4,344	4,235	3,918	3,685
Bituminous Coal (daily average, 1,000 tons).	2,013	+2,008	2,022	2,108	1,930
TRADE					
Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).	84	84	83	79	86
All Other Carloadings (daily average, 1,000 cars).	67	67	67	52	64
Money in Circulation (Wednesday series, millions).	\$18,818	\$18,714	\$18,571	\$16,252	\$13,708
Department Store Sales (change from same week of preceding year).	+2%	+17%	+1%	-2%	+5%
Business Failures (Dun & Bradstreet, number).	42	33	26	89	174
PRICES (Average for the week)					
Spot Commodity Index (Moody's, Dec. 31, 1931 = 100).	247.9	248.2	247.0	249.2	235.6
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100).	160.7	160.6	160.8	160.1	155.3
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100).	217.0	217.4	215.7	210.1	187.0
Finished Steel Composite (Steel, ton).	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
Scrap Steel Composite (Iron Age, ton).	\$19.17	\$19.17	\$19.17	\$19.17	\$19.17
Copper (electrolytic, Connecticut Valley, lb.).	12,000¢	12,000¢	12,000¢	12,000¢	12,000¢
Wheat (No. 2, hard winter, Kansas City, bu.).	\$1.48	\$1.47	\$1.44	\$1.39	\$1.22
Sugar (raw, delivered New York, lb.).	3.74¢	3.74¢	3.74¢	3.74¢	3.74¢
Cotton (middling, ten designated markets, lb.).	20.46¢	20.46¢	20.40¢	21.38¢	18.71¢
Wool Tops (New York, lb.).	\$1.368	\$1.365	\$1.368	\$1.310	\$1.222
Rubber (ribbed smoked sheets, New York, lb.).	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢
FINANCE					
90 Stocks, Price Index (Standard & Poor's Corp.).	95.4	95.7	93.9	92.5	72.1
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's).	3.83%	3.83%	3.82%	3.95%	4.25%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's).	2.70%	2.70%	2.69%	2.76%	2.80%
U. S. Bond Yield (average of all taxable issues due or callable after twelve years).	2.30%	2.30%	2.29%	2.32%	2.35%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate).	1-1%	1-1%	1-1%	1-1%	1-1%
RANKING (Millions of dollars)					
Demand Deposits Adjusted, reporting member banks.	30,613	31,624	35,733	31,848	27,424
Total Loans and Investments, reporting member banks.	50,998	+50,143	46,739	41,391	35,954
Commercial and Agricultural Loans, reporting member banks.	6,207	6,132	5,735	5,912	6,552
Securities Loans, reporting member banks.	2,993	+2,577	1,485	961	907
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks.	36,210	35,947	34,100	28,706	22,054
Other Securities Held, reporting member banks.	2,986	2,952	2,935	3,229	3,539
Excess Reserves, all member banks (Wednesday series).	1,810	1,890	1,150	1,518	1,690
Total Federal Reserve Credit Outstanding (Wednesday series).	9,543	9,717	9,540	6,191	3,774

Preliminary, week ended, October 2nd.

† Revised.

§ Date for "Latest Week" on each series on request.

BUSINESS WEEK INDEX OF BUSINESS ACTIVITY





She Still Has "The Voice With A Smile"

War traffic keeps her busier than ever but she manages to keep calm and pleasant.

She still has "The Voice With A Smile" even when the lights are thick on the Long Distance switchboard and the circuits are crowded. Even when she has to ask you to —

"Please limit your call to 5 minutes. Others are waiting."

That's to help everybody get better service and you couldn't ask for a better reason than that.

BELL TELEPHONE SYSTEM



THE OUTLOOK

Topping off at 212?

Production flattens out as expected and seems likely to tick at present index level. Farmers, too, may be on plateau. Lower figures show significant trend. Inventory policy shifts.

For ten weeks, the Business Week Index has hovered around 212. This is a temporary plateau, but rather the flattening out in industrial activity which was predicted—at just above the 200 level—for the second half-year (BW Dec. 1944, p13).

Steel operations have edged to new highs in recent weeks, and munitions output has been advancing week by week. But due to the curtailment in war construction, production of building materials and new machinery has been declining. And many civilian lines—textiles, shoes, paper—have suffered in labor shortage.

the Ceiling?

The present level need not mark the ceiling in production. But it probably will. The bottleneck on materials is being widened by the addition of new steel, aluminum, rubber, and other capacity, but manpower has long since taken precedence as the limiting factor, and there is still no sign of the over-all controls needed to preserve shrinking war forces in mines, forests, mills, and factories.

A significant point, both for industrial production and for electric power output, has just been reported by the Dept. of Commerce. The number of kilowatt-hours of electricity used per man-hour in manufacturing and mining industries declined from 4.99 in 1940 to 4.55 in 1942; rough statistics clearly indicate a further drop this year. This starts from the rising trend which prevailed in the past and explains why demands for power have not increased sharply as some observers, particularly in the Federal Power Commission, had feared.

War-time Power Use

Commerce attributes part of the drop to purely statistical factors: War increases the use of man-hours in the fabrication of raw materials more sharply than in the production of them, whereas power is used per worker in the fabrication of materials than in their production even while it was rising in every separate industry. However, of 25 individual lines surveyed, 15 showed fewer kilowatt-hours consumed per man-hour in 1942 than in 1940. This decline in power use per man-

hour suggests a related decline in production per man-hour—which might be expected from our increasing use of marginal labor, and for other reasons. Actually, continual lowering of efficiency is aggravating the manpower shortage, both in the aggregate index of production, and specifically in numerous industrial lines.

Farm Prospects

Agricultural production also is apt to flatten out. This year's crops were off 10% from 1942's bumper yields, but increased livestock production lifted the total output by perhaps 5%. Next year, livestock production will do well to equal the 1943 record. Stocks of feeds have been drawn down, so that supplies for 1944 will be smaller than this year—but slaughtering off of part of the livestock population may make up for this decline in total feed. Crop acreage is to

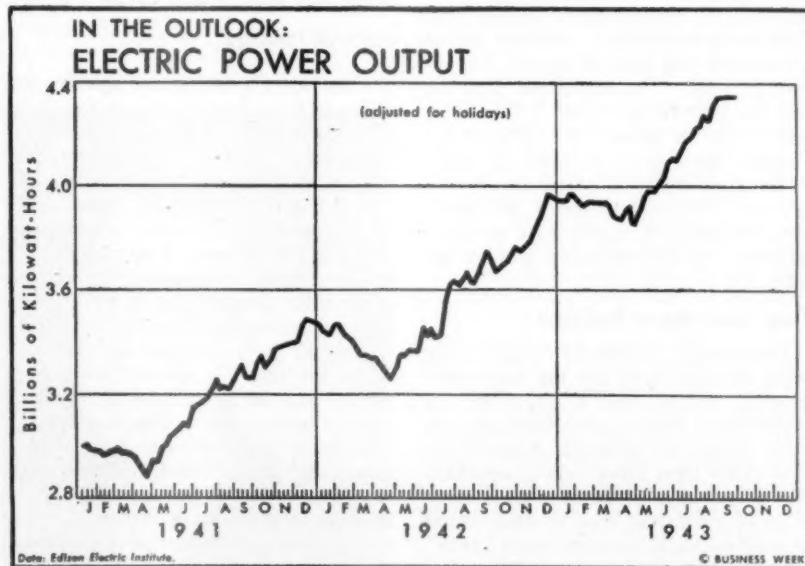
be expanded some 4%. However, weather—and per-acre yields—were above normal this year, so a 1944 return to average conditions would offset the acreage gain.

As for prices, though the farm bloc has been relatively quiescent of late, last week the House Agricultural Committee reported out the Fulmer bill to boost government loan prices on crops to 100% of parity (BW Oct. 24, p104) from the present 90% level.

Background for Boosts

The farm production picture provides a background for price demands. Farmers' cash income may come to 20 billion dollars this year, and their expenses to ten billions, leaving a net cash income of ten billions, as against seven billions last year. This excludes the value of (1) food consumption on the farm, (2) the rental of farm dwellings, and (3) the net increase in farm inventory of crops and livestock. If both prices and production flattened out from here on, and expenses—for farm labor, for instance—rose as expected, 1944 cash net would again come to about ten billions. But a bad crop year would cut volume, and so net.

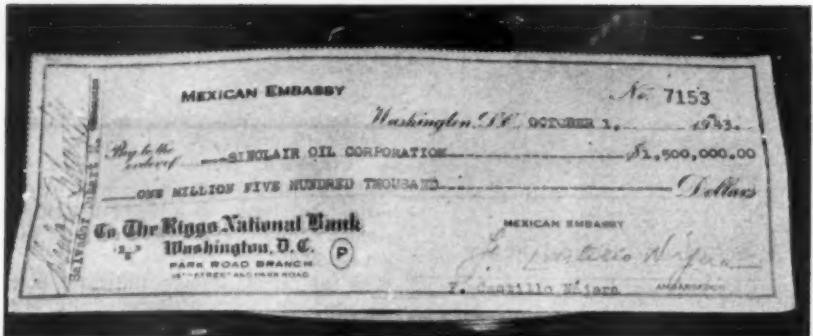
The Treasury proposal to boost from



Industrial use has driven electric power output 10% above the seasonal peak of last December. The figures will go on to new records this December. And this production will meet all demands—even though consumption has risen faster than generating capacity. Even last December, peak requirements fell 7,000,000 kilowatts

—or 20%—short of dependable capacity, and 10,000,000 short of total capacity, and this year's margin will be cut only slightly. Because of the cushion, WPB reduced 1943 expansion programs. However, in the Southeast and Northwest, only the new 1943 generating facilities make it possible to satisfy all power needs.





MEXICO PAYS OFF

With a \$1,500,000 check, Mexican Ambassador Francisco Castillo Nájera squares accounts with H. F. Sinclair (left) for the 1938 expropriation of Sinclair Oil properties in Mexico. The check (above) completes an \$8,500,000 settlement privately reached by company and country. Standard Oil, meanwhile, left its claim with the U.S. State Dept. which agreed to settle it for \$22,332,494.

40% to 50% the normal-plus-surtax levy on corporate pre-excess profits is apparently designed to cut corporate net profits back to 1942 levels. The Dept. of Commerce now figures that 1943 net, based on existing taxes, ran 15% ahead of 1942 in the first quarter and 13% ahead in the second quarter. From this, Commerce estimates a corporate net of 8.4 billions this year, as against 7.4 billions in 1942. Treasury hopes that the new tax increase will yield 1.1 billions, and so cut the present 8.4-billion-profit prospect down to 7.3 billions. Actually, if Congress enacts a jump in the tax rate to 45%—which seems politically more probable—it would leave a corporate net just slightly above that of last year.

Two Inventory Policies

Increasingly, inventory policies are being reversed both by the manpower shortage and by what is felt to be the approach of victory over Germany. In many instances, materials supplies are now easier than labor. Also, merchandise is generally either of a lower quality or of a different type to what would be used normally, so that "peace jitters" militate against stockpiling. These factors were important in the success of the recent "share-the-steel" drive.

However, many lines still need a long inventory position. Some find the materials flow difficult just because of the labor shortage at the materials-production end. And others will not be drastically affected by a Hitler defeat—either in what they must sell, or in what they can buy.

Their Day in Court

Dirksen bill would open U.S. district courts to appeals by business men from OPA's price control rulings.

Even for a government agency, the Office of Price Administration has spent a record amount of time in the courts. Now OPA's lawyers are fearful that their legal difficulties may be vastly multiplied if Rep. Everett M. Dirksen (R., Ill.) succeeds in engineering a new piece of legislation through Congress.

Amendment Proposed—The Emergency Price Control Act of 1942 set up a special Emergency Court of Appeals to handle all suits brought against OPA under the act. No suit involving price control may be introduced in any other state or federal court. This was brought forcibly to Dirksen's attention when a three-judge federal court in Illinois ruled last month that it had no authority to restrain OPA from enforcing a ruling that a system of "better service awards" adopted by Peoria's Roszell Dairy Co. violated milk price ceilings. Dirksen has introduced an amendment to the price control law which would enable business men to petition for relief in any "appropriate district court."

Theory behind the emergency court was that it would quickly become expert and make for uniformity in interpretation, and that it would relieve the congestion that a flood of price control

actions might cause in the regular courts. OPA was expecting the worst.

Points at Issue—Aside from his objection to the general abrogation of the power of other federal courts, Dirksen complains that the emergency court isn't large enough for its job and that since it sits in Washington litigation becomes expensive and inconvenient. OPA counters that the Chief Justice of the U. S., who appoints emergency court judges from federal district and circuit courts, can enlarge the court whenever necessary.

Although OPA doesn't want a court to adjudicate price control disputes among the various federal courts, the agency hasn't fared too badly. It respects the courts' administration of rationing regulations. OPA's authority to ration, as distinct from its power to fix prices, stems from the Second War Powers Act, not from the Emergency Price Control Act, and it may be questioned in any court. The first serious challenge to OPA's rationing power came only last week when a federal judge in Dallas, Tex., declared unconstitutional the agency's system of suspending violators' rights to deal in rationed commodities. OPA is appealing.

Price Control Troublesome—But rationing has never caused OPA as much trouble as price control. That's why the agency is fearful of the consequences of jurisdiction in price control suits farmed out to the federal courts. OPA lawyers suspect that the only thing that has kept a host of federal judges from ruling price control unconstitutional is the fact that they are barred from it by the Emergency Price Control Act.

So far, only two federal judges have attempted to buck the law. In Indiana Judge Thomas W. Slick held rent control unconstitutional. The Supreme Court threw the case out on grounds of collusion, without passing on the question of constitutionality. In another rent control case, Judge Basile Devers of Macon, Ga., has held price control unconstitutional, and OPA is appealing to the Supreme Court.

Lack Jurisdiction—On the other side of the ledger, a half-dozen federal courts have reluctantly ruled, like the one in Illinois which admitted its inability to act in the Roszell Dairy case, that they couldn't accept price control suits brought against OPA. The price agency can take a violator of price or rent regulations into any court and in all cases the court has jurisdiction to impose or withhold penalties, but jurisdiction doesn't extend to entering an attack by the defendant on the validity of the Price Control Act. In ten cases where price control violators have put up the constitutionality argument, the courts have ruled that defendants will have to go to the Emergency Court of Appeals.

Only one of these cases (Lockert

llips) reached the Supreme Court. The court's decision was that the constitutionality of price control can be dealt with, in the first instance, only in the Emergency Court of Appeals, from which an appeal lies to the Supreme Court.

Test Expected—First real test of constitutionality of price control probably will come in the current session of the Supreme Court. More than a dozen important OPA cases confronted the court when it convened this week, and at least one of these, a rent control case (*Taylor vs. Brown*) appealed from the emergency court, could provide a broad test of constitutionality.

Since it was set up on Jan. 30, 1942, the emergency court (of which Economic Stabilization Director Fred M. Vinson was the first chief judge) has presented with 88 cases. About half of these have been disposed of (most of them without formal decision); but half are still pending. Most important cases hanging are Philadelphia Co. (Koppers subsidiary) vs. M. Brown, and Montgomery Ward vs. Brown. The first involves the question of whether prices of coke oven tied to the price of coal by long-term contracts, should be separately controlled. The second involves OPA's maximum Price Regulation 330 which prohibits that retailers cannot increase prices on old lines or add new, and other price lines to the ones they customarily carry (BW—Sep. 25 '43, p92).

Two Setbacks—Of the 17 cases which the emergency court has decided formal decisions, OPA came out the winner by a wide margin—the court's ruling has been sustainable in 15 cases. Of the two decisions that went against OPA, one involved a petition for an adjustment in meat ceilings to take account of increased taxes, the other involved a meat ceiling set so low that the packer (Puritan & Co.) was able to claim that it impeded production."

One of the biggest troublemakers for OPA in the courts has been a provision in the Price Control Act which allows consumer who is overcharged as the result of a price violation to seek redress in the form of triple damages in any court. With a meager enforcement record, OPA has counted heavily on triple damage suits to keep price violators in line.

Penalty Suits—State and federal courts frequently have refused to rule on this clause, usually on the grounds that they are penalty suits and under the Constitution, a state need not enforce a penalty statute if another sovereignty. OPA is hoping that a recent decision of the California Supreme Court requiring a municipal court to rule on such suits will set a precedent.

Manpower Hump Still Ahead

Labor shortage should hit a peak next April or May, then stabilize by July as armed forces reach full strength and war machine hits top speed, but there'll be no surplus of workers.

Manpower troubles won't hit their height for another six months, but the worst will be over by the middle of next year. With the fathers' draft issue shelved and the war production program for 1944 pretty well set, manpower officials are looking past the coming crisis to the time when labor requirements will begin to level off. They think the tightest squeeze will come next spring—April or May. Around July, the labor market will hit a rough sort of equilibrium.

Temporary Relief—In the last two months of this year, the situation will ease up temporarily. Agriculture, now running up to its seasonal peak, will start letting workers out soon after the end of October. Many of these farm workers won't be available for factory jobs, even on a temporary basis, but manpower officials think the expected reduction by 3,300,000 of the number employed in agriculture will be sufficient to take the edge off the shortage of industrial labor.

Inductions into the armed forces will total about 900,000 in the last three months of this year. Employment in war production will climb to about 10,400,000. This will be something like 900,000 less than the original schedules called for, but even so it will be a

jump of about 800,000 over last July.

Pinch Is Ahead—Early next year, agriculture will hit its seasonal low point and start edging up again. The armed forces will boost their net strength by about 500,000 in the first six months of 1944. In the same period, munitions industries will require 200,000 to 300,000 additional workers. This is the time when the manpower shortage will pinch hardest.

Labor shortages in particular areas and particular industries will be intensified. Manpower experts think that the list of critical labor shortage areas, which now contains 71 cities (BW—Sep. 25 '43, p7), will hit 100 or more in the first six months of 1944.

To Level Off—By next July, employers as a whole will begin to see daylight. War production will be running at peak rate, and munitions industries probably will have all the workers they are likely to get. The Army and Navy, having reached full strength, will be taking only replacements, and a large proportion of their inductions will be offset by discharges. Nobody knows what battle casualties will be, but unofficial guesses take 300,000 a year as a fairly gloomy estimate. Normal growth of the labor force as a result of population increase runs around 700,000 a year. Hence, Army replacements aren't likely to make any further dents in the civilian labor force.

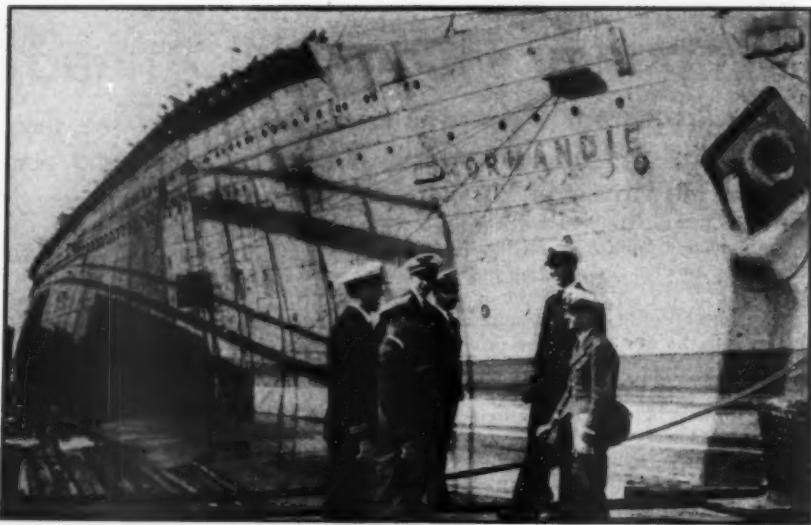
There is still a good deal of speculation about the size of the labor force in July, 1944, when the demand for manpower levels out. Best guess is that the total of civilian workers and the armed forces will be around 65,500,000. This is only 700,000 more than July, 1943—the normal growth due to population increase. Some manpower officials think they might be able even to coax an additional 300,000 or 400,000 workers into the labor market by next summer, but others are convinced that the gain will be offset by retirement of women and older workers who find the pace of war production too fast for them.

Probable Distribution—If the figure of 65,500,000 is assumed to be correct for the total labor force, and the estimated strength of the armed forces—11,300,000—is deducted, the civilian labor force will be approximately 54,200,000. The comparable figures for July, 1943, are 64,800,000 for the total, less 9,300,000 in the armed forces, leaving a remainder of 55,500,000 in the civilian labor force.

The probable distribution of civilian



As chief of Selective Service, Maj. Gen. Lewis B. Hershey favors a tighter rein on 4-F draft deferments in order to ease somewhat the squeeze of uniforms and overalls on the nation's manpower pool.



UP AND COMING

Recently graduated from military air schools at Corpus Christi, Tex., South American cadets inspect the salvaged liner Normandie while touring New York. Now completely buoyant and

listing only ten degrees to port, the rusted fire-scarred hull soon will be towed from pier 88 to drydock for repair (BW—Aug. 14 '43, p17). The Brazilian and Chilean fliers learned the reason for its list: two 24-ton starboard propellers have been removed.

labor by industries stacks up like this in comparison with July, 1943 (figures in millions—000,000 omitted):

	July 1943	July 1944
Unemployed	1.2	1.0
Agriculture	12.1	12.0
Munitions	9.6	10.6
Transportation, fuel, utilities	4.4	4.5
Federal war agencies	1.7	1.7
Construction	2.1	1.3
Food	1.4	1.5
Textiles, clothing, leather	2.7	2.8
Trade, service, all others	20.4	18.8
Total civilian labor force ..	55.5	54.2

If the actual distribution of the July, 1944, labor force follows this pattern, employment in munitions will be about 1,000,000 less than the estimates based on the original 1944 program. When next year's war production was scheduled for \$83,500,000,000, manpower authorities figured that the munitions industry would need about 11,600,000 workers to hit the peak rate. Now that the program has been scaled down to \$76,000,000,000, they think 10,600,000 workers will be enough. Requirements of the government war agencies (which include big munitions modification centers and depots as well as the alphabetical hierarchy) also will be about 300,000 less than original estimates.

• **Fitting Pattern to Cloth**—Although the manpower shortage was not the only reason for cutting down the 1944 production program, it was one of the main factors that helped swing the decision. In part, at least, the reduction of 1,000,000 workers in requirements of the

munitions industries represents cutting the pattern to the cloth. The main beneficiaries of this cutback will be civilian industries, particularly trade and service. Employment in these lines still will be squeezed down about 1,600,000 from July, 1943, to July, 1944, but it will wind up about 900,000 higher than the first estimates.

Something like 18,300,000 of the 65,500,000 total labor force will be women, a gain of 500,000 over July, 1943. About 300,000 to 350,000 of this boost will be normal growth; the balance will be women who would not have entered the labor force ordinarily. Around 2,800,000 women will be working in munitions industries, 12,500,000 in other nonagricultural employment.

Attainment of an over-all stability in the labor market won't automatically cure all the manpower headaches. Regional shortages can become worse and worse even though the national situation is easing. Moreover, statistical stability of the aggregate doesn't mean that there isn't a constant turnover within the labor force, some workers retiring, others moving in to replace them. Consequently, the over-all equilibrium won't banish problems of turnover and training.

• **Depends on Coast Plan**—Manpower officials hope, however, that by next spring they will have stabilization machinery similar to the Pacific Coast plan (page 34) set up in all the tightest labor spots. If this system works, they expect to get the manpower situation fairly well straightened out just as soon

as labor requirements hit the plateau.

Any big change in the military look would bring a corresponding shake-up in the labor market situation. Manpower officials predict that a total war program will be cut back soon as Germany goes under. So they think an annual production rate of only \$40,000,000,000 or \$50,000,000 will be enough for the Pacific.

• **But If Nazis Fold**—If Germany should collapse sometime this winter, the squeeze on manpower might not come, and the summer's labor requirements might contract violently instead of just stabilizing.

An Asking Price

Morgenthau's request for

10½ billions in new taxes leaves room for bargaining; Congress thinking of less than half that.

Although the Treasury kept a low profile this week as it presented Congress with proposals for \$10,560,000,000 in new taxes, it wasn't surprised when the House Ways & Means Committee let out a parliamentary howl. Actual \$10,560,000,000 is the Treasury's asking price, deliberately padded to leave room for bargaining. Now that he has his program in the record, Secretary Henry Morgenthau is ready to dicker.

• **Load on Individuals**—If the Treasury should get its way, the heaviest share of the new tax load would fall on individuals. Morgenthau's program calls for a \$6,530,000,000 jump in the individual income tax, plus \$2,490,000,000 in

INDIVIDUAL TAXES

The tax on incomes of individuals would be sharply increased under the Treasury proposals. Here is a comparison of the present and proposed surtax rates in some brackets. (These are in addition to the normal tax which would remain unchanged at 6%):

Income	Present %	Proposed %
\$0-500	13	21
\$500-1,000	13	24
\$1,000-1,500	13	27
\$1,500-2,000	13	30
\$2,000-4,000	16	35
\$4,000-6,000	20	40
\$6,000-8,000	24	45
\$8,000-10,000	28	49
\$10,000-12,000	32	53
\$12,000-14,000	36	57
\$14,000-16,000	40	61
\$16,000-18,000	43	65
\$18,000-20,000	46	68
\$20,000-60,000	66	85
\$100,000-150,000	79	90
\$200,000 & over	82	90

ditional excises and \$400,000,000 from stepped-up estate and gift taxes. The rest of the extra tax yield, \$1,140,000,000, would come out of corporation incomes.

A boost of \$10,560,000,000 would bring the government's total tax revenue up to about \$48,000,000,000 a year, almost 50% of annual federal expenditures, the goal the Administration has been shooting for. Individuals would carry at least \$22,000,000,000 in direct taxes, corporations about \$16,000,000,000. The balance would come from excises, social security levies, and miscellaneous receipts.

Victory Tax Would Go—To get the extra yield from individual incomes, Morgenthau proposes a complete reshuffling of present taxes and rates. The Victory tax (5% of gross income above \$624 a year) would be abolished, this loss of revenue offset by stiffer rates in the regular income tax schedules. Personal exemptions for married couples would be cut from \$1,200 to \$1,100, the credit for dependents from \$350 to \$300. Exemption for single men would remain \$500. Even with the lower exemptions, knocking out the Victory tax would take about 9,000,000 individuals in the low income brackets off the list of direct taxpayers.

Backbone of the Treasury proposal is a big jump in individual income surtaxes particularly on the middle income groups. The normal tax would continue at 6%, but the first bracket surtax would shoot up from 13% to 21%. Moreover, the first bracket of surtax net income,

now \$2,000, would be split into four brackets of \$500 each. The surtax would rise from 21% on the first \$500 (plus 6% normal tax) to 30% on the bracket between \$1,500 and \$2,000 of surtax net income. From there the rates would climb on up to 90% on net incomes of \$100,000 and over. Present maximum rate is 82%, and this does not apply until surtax net income reaches \$200,000.

• **Refunds Considered**—To take some of the curse off individual income levies, the Treasury suggested but did not push two plans for postwar refunds. One would return \$2,270,000,000 to taxpayers after the war, the other \$3,510,000,000.

For corporations making over \$50,000 a year, the Treasury proposes a boost in the surtax from 16% to 26%, giving a combined normal and surtax of 50% instead of the present 40%. For corporations making less than \$25,000, the surtax would go up from 10% to 14%, with corresponding boosts for the companies in the bracket between \$25,000 and \$50,000.

• **Where It Would Hurt**—The jump in the surtax rate would come down hardest on corporations with comfortable excess profits tax exemptions and those whose income has not increased much during the war. Utilities, railroads, and companies producing for the civilian market would feel the jolt worst.

To take care of the problem of post-war conversion cost, the Treasury also tossed in a suggestion for allowing tax refunds to cover expenses after the war.

CORPORATION TAXES

Normal tax rates on income under \$50,000 would remain unchanged under the Treasury's new plan. On surtax net income below \$25,000, the rate would be raised from 10% to 14%. On that portion of surtax net income between \$25,000 and \$50,000, the rate would be raised from 22% to 38%. On corporate incomes over \$50,000, the present and proposed rates are:

	Present	Proposed
	%	%
Normal Tax	24	24
Surtax	16	26
Combined Normal and Surtax	40	50
Excess Profits Tax...	90	90

Although Morgenthau didn't spell this out in detail, it stands a better chance of getting through Congress than any of the Treasury's other recommendations.

• **Lucky to Get Half**—Congressional sentiment is that the Treasury would be doing well to get half the \$10,560,000,000. Most congressmen have been thinking in terms of \$3,000,000,000 or \$4,000,000,000 as the goal for the new tax bill, and the Treasury's program did little to change their minds.

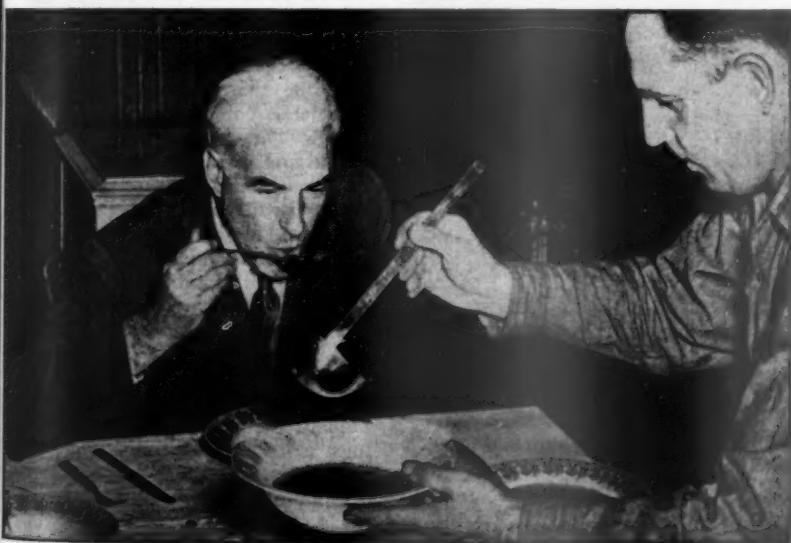
Willow Run Set-to

Two union officials attack bomber plant's output record; Ford management comes back with "verbal sabotage."

Willow Run is back in the news following charges by two union officials that the plant is "the outstanding failure of the war." Ford Motor Co. was quick to reply, saying tartly that the charges were "verbal sabotage" and questioning whether the election of the complainers to union offices "suddenly transformed these gentlemen into production experts."

• **Manpower Trouble**—At the same time, Ford officials admitted they were still having their problems. Turnover is holding down the payroll total and blocking development of a seasoned force. It had been expected (BW—May 14, p19) that the coming of reasonable weather to Detroit, along with restrictions placed on job shifting in the motor city, would cut the quit rate. But labor supply grew tighter in Detroit during the summer, and Willow Run workers were lured more and more by easily obtained jobs closer to home.

To cope with the situation, Ford is amplifying its industrial relations work



GOODWILL BOWL

On the eve of his appointment as Under Secretary of State, Edward R. Stettinius, Jr., sipped borsch, exchanged pleasantries with crew members of a Soviet freighter loading supplies at a West Coast port—guide to

the policy he will undoubtedly try to follow in his new job. How much diplomatic fence-mending he can accomplish in U. S. relations with Russia is problematic, but as Lend-Lease Administrator he gained favor with the Russians by his effective provision of material aid (BW—Oct. 24, p40).

at the plant, and the Defense Plant Corp. has authorized erection of a community center, including stores and other facilities, in the housing area near the plant.

• **More Subcontracting**—In another direction, Willow Run is reducing its manpower needs by subcontracting as much work as possible. The ultimate objective is to make the plant as exclusively a final assembly base as possible, farming out all manufacturing operations which can be suitably transferred. Considerable work has already been moved, but no detailed figures have been released.

Much of this work has gone to other Ford factories. The Highland Park plant, used until mid-September to produce tanks on a now-completed contract, is being prepared for mass manufacturing of B-24 parts. Other sections of work have been transferred to the main Ford works at River Rouge.

• **Nature of Charges**—Outside concerns, meanwhile, are obtaining other bomber jobs. Contracts are being awarded on a competitive bid basis, and Ford is furnishing subcontractors with necessary materials, tools, fixtures, and jigs.

The complaining United Automobile Workers' officials, Glenn R. Brayton, president of the bomber local, and Walter Quillico, plant chairman, wrote President Roosevelt and other Washington officials calling for a complete investigation of current conditions at Willow Run. They charged that work being moved away from the plant consisted of small parts which could be best made there, and maintained that it was in the final assembly department, which will be retained at the plant, that work has fallen down worst. They also complained that the company is disregarding the feelings and wishes of the employees in the matter.

• **Government Looks On**—Government and Army Air Forces heads, meanwhile, watch with keen interest the efforts made to increase output at Willow Run. There were no indications that the unionists' call for an inquiry would be immediately met, but it was apparent that the operations of the plant are under the continued eye of government men who were keeping their own councils about what might be done if they deemed it advisable to take active steps in the situation.

Air Policy Pleases

Roosevelt hasn't settled row over who will fly postwar air routes, but his broad plan wins operators' approval.

Postwar freedom of the air for the transport lines of all nations, a principle which President Roosevelt has been discussing with Prime Minister Churchill, feeds the ambition of numerous domestic operators to expand internationally. So does the President's view, outlined at a White House press conference last week, that international routes should be operated by private concerns where profitable and that government operations should be restricted to routes on which a loss must be taken to maintain communication with distant points.

• **Who Will Participate**?—But the President did not answer specifically a big question in the minds of air men: Will U. S. participation in a world-wide network of routes be confined to a single concern, as in the past, or will the field be opened to competitors, as sought in the declaration for "free competition" by 18 companies (BW-Jul.24'43, p26)?

Only United Air Lines has joined Pan American Airways in advocating an American flag foreign system under one management, in which potential competitors otherwise would hold shares. W. A. Patterson, president of United, this week urged legislation to prevent individual domestic lines from entering the international field after the war, declaring that it could only result in destructive competition.

• **How They Are Betting**—Canvass of official and unofficial opinion in Washington is that this single-management proposal will not prevail, that operators will be allowed to compete on foreign routes between the same points.

However this turns out, it is safe to say the airlines have never before faced such an expansive future, nor have they ever been confronted with so many problems and uncertainties.

• **Good and Bad Effects**—The war has brought them at least reasonable earnings, a lot of useful experience, especially in maintenance and efficient use of equipment, and above all, it has given the domestic operators an opportunity to extend themselves all over the world. On the other hand, the war interrupted their normal expansion by shutting off their access to new equipment while the Army took half of what they had. War put them up against unpredictable revision of the civil aeronautics law at home, and creation of foreign air commerce policy for operations abroad.

Expansion beginning immediately

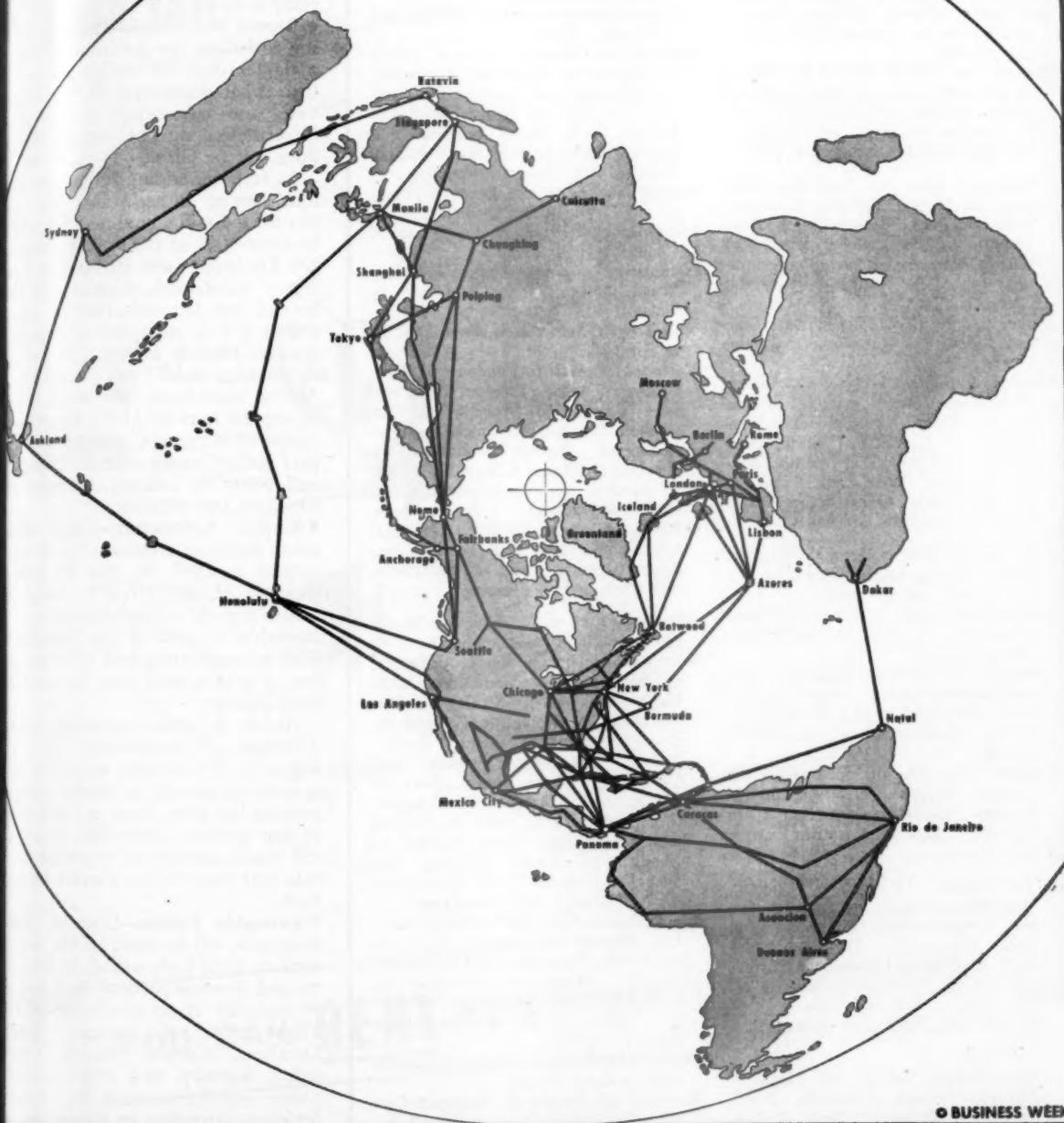


PLANS FOR PLANES

Oklahoma City is shooting for a top midwestern spot in postwar aviation with plans for a \$25,000,000 superairport that could handle anything that flies or rolls. The plan exhibited by A. D. Engle (above), Austin Co. engineer in charge of preliminary work, calls for a huge futuristic terminal to bring together airways, highways, and railways. Above ground, the port

would have two 11,000-ft. runways, a 2,500-acre lake for seaplanes, a 100-room hotel, and hangars. Underground roads and rails would handle earth-bound traffic. With half of the 6-sq.-mi. site already acquired, the project is to be financed entirely by private and municipal funds. Oklahoma City now is bypassed by the main transcontinental airline routes but plans to be ready for the big post-war surge in commercial aviation.

AVIATION LAYS ITS POSTWAR LINES



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thing but the circumference of the globe restricts the aspirations of American airlines. More than a score of companies have now filed applications with the Civil Aeronautics Board (see page 20) for permission to operate services abroad. Some of these applicants, including all major domestic lines which have flown cargoes overseas for the Army during the war, are financially and technically qualified to receive certificates; others are

mere hopefule and speculators who know that at the end of the war there will be no shortage either of equipment or of trained personnel. Before CAB grants any of these route applications, it intends to conclude a survey of probable traffic, even though its guess about the load is likely to have no more validity than that of experienced operators, and such enthusiastic volume estimates as that which is implicit in the Keeshin Trucking

Line's application to fly freight virtually all over the world may prove more nearly right than any. Before CAB approves any runs outside of the Western Hemisphere, a major Administration policy must be set on whether the lines will be allowed to compete in foreign service or whether they will be consolidated into a single government-regulated service. Also reciprocal agreements will have to be concluded with other countries.

APPLICATIONS FOR FOREIGN AIR SERVICES

American: New York and Boston to London via Newfoundland, Labrador, Ireland (alternative airports, Iceland, Bermuda, Azores). Chicago, Detroit, and Boston to London (Paris alternative airport).

Braniff: Fort Worth-Dallas to Madrid via Bermuda, Azores, Portugal; beyond Madrid to Rome via Marseille, Genoa; to London via Paris; to Stockholm via Paris, Berlin, Copenhagen, Oslo.

Houston, Tex., to Asuncion, Paraguay, via Mexico, Panama, Colombia, Ecuador, Peru, Bolivia; to Rio de Janeiro via São Paulo, Brazil; to Buenos Aires, Argentina. From Houston to West Indies, Venezuela, Colombia, Panama.

Burke, Andrew J.: Corpus Christi, Tex., and Monterrey, Mexico, via Laredo, Tex.

Chicago & Southern: New Orleans to Panama via Central America; also via Florida, Cuba, and Jamaica. New Orleans to Cuba via Florida, New Orleans to Trinidad via Florida, Nassau, Kingston, West Indies; also via Havana. New Orleans to Mexico City via Tampico, Mexico.

Chicago to Batavia, Java, via Canada, Alaska, Russia, Korea, China, French Indo-China, and Singapore.

Coastal Tank Lines: To transport liquid commodities in interstate and foreign transportation.

Colonial: New York to Nassau via eastern Seaboard cities. Ottawa to New York, Philadelphia, and Washington, D. C. Massena, N. Y., to Ottawa, Canada.

Eastern: New Orleans to Panama via Central America. New Orleans to Panama via Havana. Tampa to Panama via Havana. Miami to Panama via Havana.

To Nassau, Dominican Republic, Venezuela, Brazil, Paraguay, Argentina, Uruguay from (1) Boston, New York, Washington, D. C., (2) Detroit, Cleveland, Jacksonville, Miami, (3) Chicago, Louisville, Atlanta, (4) St. Louis, Nashville, Atlanta, (5) Kansas City, Memphis, Birmingham, Tampa.

New Orleans, Tampa, and Miami to Havana, Panama, Colombia, Brazil, Argentina, Uruguay. New Orleans, Houston, Corpus Christi, Brownsville, Tampico to Mexico City. Chicago and Detroit, Indianapolis, Memphis, Corpus Christi, Tampico to Mexico City. Baltimore and Reading, Scranton-Wilkes Barre, Binghamton, Syracuse to Montreal.

Gordons North-South: Between Detroit, Chicago, St. Louis, Memphis, Vicksburg, New Orleans, Cuba, Venezuela, Brazil, Argentina.

Hawaiian: Honolulu to Los Angeles. **Inland:** Fairbanks to Bethel, Alaska, via Anchorage.

International: New York to Dominican

Republic via Puerto Rico. New York to Mexico City via Havana and Vera Cruz, Mexico.

Al Jones Airways: Between Bethel and Anchorage, Alaska.

Keeshin Air Freight: Common carrier for hire in transportation of property in interstate and foreign air transport. Service to British Isles and Europe, East Indies, Central and South America, Africa, South Pacific, Southern Asia, Australia, Canada.

Matson Navigation Co: Between Honolulu and West Coast terminals.

Mid-Continent: Minot, N. D., to Regina, Canada.

National: Tampa to Havana via Key West. Tampa and Miami to Panama.

New York & Bermudian: Newark, N. J., to Bermuda.

Northeast: Boston to London and Paris. Boston to Azores, London, and Paris; from London to Moscow via Amsterdam, Copenhagen, Stockholm, and Leningrad. Boston to London via Newfoundland and Glasgow. Boston to London via intermediate points at Newfoundland, Iceland, Faroe Islands, Glasgow. Boston via Reykjavik, Faroes, and Oslo; via Copenhagen to Prague; and via Stockholm and Leningrad to Moscow.

Bangor, Me., to Labrador via Moncton, N. B., and Newfoundland.

Northwest: Anchorage, Alaska (or Seattle via Anchorage), to Manila, via Dutch Harbor, Aleutians, Kuriles, Tokyo, Shanghai. Anchorage to Calcutta via Dutch Harbor, Aleutians, Kuriles, Tokyo, Manchuria, Peiping, and Chungking. From Nome, Alaska, to Manila via Peiping and Shanghai. From Nome to Calcutta via Peiping and Chungking. From Seattle to Manila via Alaska, Peiping, and Shanghai; from Seattle to Calcutta via Alaska, Peiping, and Chungking.

Pan American: New York to Puerto Rico. Los Angeles to Mexico City via Hermosillo, Mazatlan, and Guadalajara, Mexico. Miami to Venezuela via Cuba, Haiti, and Dominican Republic. Belém to Rio de Janeiro via Barreiras, Brazil.

Pennsylvania-Central: Eastern Seaboard cities to Great Britain.

Shawmut Air Freight & Transport Co.: To carry commodities and mail between Boston, Concord, N. H., and Burlington, Vt.; Boston and Halifax, N. S.; Boston to London via Nova Scotia, Foynes, Irish Free State, and Liverpool.

Transcontinental & Western: Los Angeles, San Diego to Honolulu. Also two routes between U. S. and France via London.

Waterman: New Orleans to San Juan, P. R., via Tampa.

Western: Lethbridge, Canada, to Anchorage and Northway, Alaska, via Calgary, Edmonton. Seattle to Alaska via Anchorage, Nome, Fairbanks.

with the close of war will be fine administrative and operational equipment, but it will yield no early return to stockholders, because the bulk of earnings will have to be plowed back into equipment and development for years to come.

• **Recent Reductions—** There is no reason to believe the government will place a tighter earnings ceiling on aviation than it has maintained on rail, automotive, and steamship transportation. Nevertheless, no one expects that air lines will be allowed to clean up.

In fact, the airline system has taken four earning cutbacks this year. First was the 0.3 mill pound-mile rate applied to about 90% of the system's mail last December and January, representing a substantial revenue reduction. Second was the reduction of approximately 8% in passenger rates made by the operators in response to the Civil Aeronautics Board's call for a 10% cut. At the same time, the board reduced air express rates by 11%. Fourth was the recent unannounced reduction in rates paid airlines under contract with Army and Navy for military transport services here and overseas.

• **Surplus Satisfactory—** These cutbacks followed accumulation of earnings surplus in 1942, by the 17 domestic airlines, of \$15,726,876, which the board regards as satisfactory—and remarkable, in view of the fact that the lines were operating with 51% the number of planes that were in use before Pearl Harbor.

Airline securities specialists say the dividends to stockholders have been niggardly. There were no profits in the pioneering period; in recent years, expansion has eaten them up, and growth of the postwar feeder-line system and the world network is expected to date that most of the harvest is sown back.

• **Favorable Factors—** Cost of postwar expansion will be eased by the fact that airports, built by hundreds in this country and in many parts of the world, will be available at reasonable rental rates. Flight crews will abound. Douglas, Lockheed, Curtiss, Martin, Consolidated, Sikorsky, and other war cargo planes will be available by thousands for easy conversion to commercial use. Whether rapid design improvement and competition will soon force them into the scrap heap is a question.

The airlines worry because the railroads, bus lines, and shipping people are all gunning for rights to establish air services, which the law now forbids. There is little doubt that surface transportation will win the right to fly, with the simple argument that they should not be denied the use of modern equipment, meaning airplanes.

• **Battlelines Formed—** The countercurrent threat of the airlines is worrying surface transportation. If rotary wing

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● Yes, NOW is the time to plan low-cost, efficient output for your post-war product. For planned production can give you the efficient cost-cutting tool you will need. With both Lamson Dispatch Tubes and Lamson Conveyors at work in your plant, management, materials, men and machines all move efficiently and economically towards a planned result.

● Lamson Tubes furnish instant, unerring communication to every part of the plant—important papers, time tickets, blueprints, samples, inspection reports, small tools, are made available the minute they are needed. Lamson Conveyors keep materials moving with a minimum of handling and floor-space, setting up a steady pace for production and eliminating traffic in the aisles and pile-up around machines.

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● How to increase output and cut unit costs with this system of planned production is told in our new booklet called, "Co-ordinated Control." It's full of valuable suggestions for projecting economical post-war production. Whatever your plans, be sure to send for a free copy of "Co-ordinated Control."



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craft come in and succeed on the day haul at equitable rates, bus and operators will have to fight for traffic.

The railroads are trying to get a jump on the airlines in the lead which would rewrite the civil aeronautics law. Airline spokesmen say they are willing to fight but would like to put it off till the war is won, deal now with only those phases of the law necessary to prosecution of the war. Meanwhile, the Maritime Commission is working up a case for the shipping lines who want to be allowed to have auxiliaries.

Behind the CCC

Battle to prolong life of lending agency and get it half billion dollars is just symbolic of the real food subsidy fight.

Bitterest battle in Washington today—and probably for months to come—is whether we shall have more and bigger subsidies to keep food prices down. This will be fought out under cover of the issue of prolonging the life of the Commodity Credit Corp. beyond Dec. 31 and of giving the agency another half billion dollars of money.

● **Fight for Position**—Fundamental in the half billion for CCC is chicken-fight in the subsidy rumpus. The Administration's subsidizers would have their hands strengthened by winning a little something for CCC; partial victory may well make them hard to stop when the hold-the-line job gets tougher and the need two or five or even eight or ten billions.

If the issues seem never to become very clear, if the arguments of all the parties seem fuzzy, it is probably because of a certain lack of candor. Even the most rabid subsidizers in the Office of Price Administration now are trying to sugar-coat food subsidies; War Food Administrator Marvin Jones is trying to compromise the issue; the farm bloc is reticent about coming right out with its conviction that labor is getting better break than the farmer.

● **Still Another Faction**—Both distributors and processors of food have an important stake in the subsidy battle, to be sure, but their position is more clear. The position will be appreciated from the nature of various operations that might be tried.

In broad theory, the subsidy idea is simplicity itself. The Administration committed to hold the line on the cost of living at Sept. 15, 1942, level. Yet if food prices are to be held and farmers are to be encouraged to meet their food goals (despite admitted higher costs of production), the farmer

How the Allies protect invasion troops from Air Attack



For our warships and bombers have struck our enemy shore installations in an invasion operation, there comes the tough task of consolidating the positions of our attacking land troops. Though enemy land forces may be destroyed, enemy air forces still must be met, to prevent our men from being wiped out or pushed back into the sea by bombing and strafing.

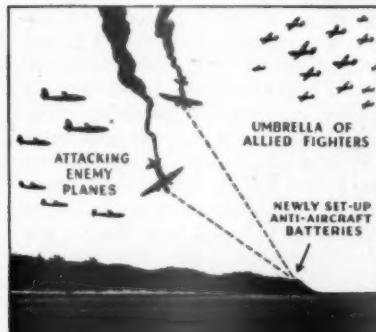


As the enemy planes come nearer, the Army anti-aircraft Director goes to work. His mechanism instantly and continuously solves the problem of where to point the gun, and also determines the time of flight of the projectile so that the aircraft and projectile will arrive simultaneously at the same

Let us make it clear that although most of the devices which aid our anti-aircraft gun crews were developed by Sperry, we do not do this job alone. We worked with the Army and Navy at every step.

And right now, while thousands of Sperry workers are laboring day and night to turn out these instruments, Army and Navy specialists are working with our inventors, research men, and engineers to perfect still further improvements.

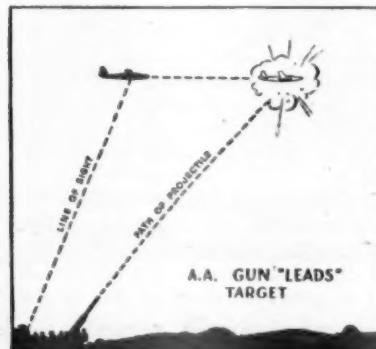
More than 138 subcontractors in 12 dif-



2. There are three ways to take the sting out of enemy air power, and invading Allied armies use all three. First, bombers attack enemy air fields. Second, an umbrella of fighter planes goes after attacking enemy planes. Third, as soon as possible after primary landings have been effected, anti-aircraft batteries are set up. These batteries are mechanized and the mechanisms seem like magic itself.



3. Approaching enemy planes are detected and their position and direction of flight determined. At night, this data is transmitted to the Sperry searchlight which spotlights the raiders, sending its inescapable finger of dazzling light up to follow them across the sky. This "blinds" the enemy pilots and makes their planes perfect targets.



5. This accurately computed information is in turn transmitted automatically and continuously to the guns. Here Vickers "hydraulic muscles" come into play. They automatically move the guns in accordance with the Director's orders... "leading" the plane just as a duck hunter leads a flying duck. The fuse is timed automatically so that the shell will explode at the exact range to do the most damage to the enemy plane.



6. Good as this equipment is, it is worthless without a tough, well-trained team of men to operate it. A nervous glance at the sky, when a man should be adjusting a dial, means the difference between a hit and a miss. Demonstration of what a gun crew can do with these devices occurred on Guadalcanal. There a single battery of guns bagged Japanese planes at the rate of better than one plane per minute.

ferent states help our Gyroscope company produce the Sperry Director.

The Ford Motor Company also is making these directors under non-royalty-patent licensing agreements.

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In short, producing the equipment for our anti-aircraft batteries requires the same kind of teamwork you find in the gun crews who man them.

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must be paid bonuses one way or another.

• **Plenty of Trouble—Right there the troubles begin. Difficulties—political, philosophical, administrative—are legion.**

First came the efforts at widespread rollbacks in which processors or distributors would have been asked to buy from farmers at high prices and sell under ceilings, the pinch to be compensated by government payments. The amount the distributors or processors would get back—if Congress could be induced to put up the money—was vague. Bookkeeping and reports were bound to be onerous. And everybody feared government domination of their business.

Rollbacks are anathema to the farmer too. It's bad enough to see retail prices anchored by OPA ceilings at a time when free play of supply and demand would run them up; it's doubly discouraging to see established prices pushed back to Sept. 15, 1942, levels.

• **Rollbacks Limited—**A sensitive Congress quickly put the kibosh on OPA's rollbacks by limiting the life of the CCC to the close of this year and tying strings to the money it had to spend. (Meats, butter, and certain vegetables have been rolled back.) Food Administrator Jones was faced with the necessity of making peace with his former colleagues on Capitol Hill and still of staying in the good graces of hold-the-line advocates including President Roosevelt, War Mobilization Director James F. Byrnes, and the OPA price fixers.

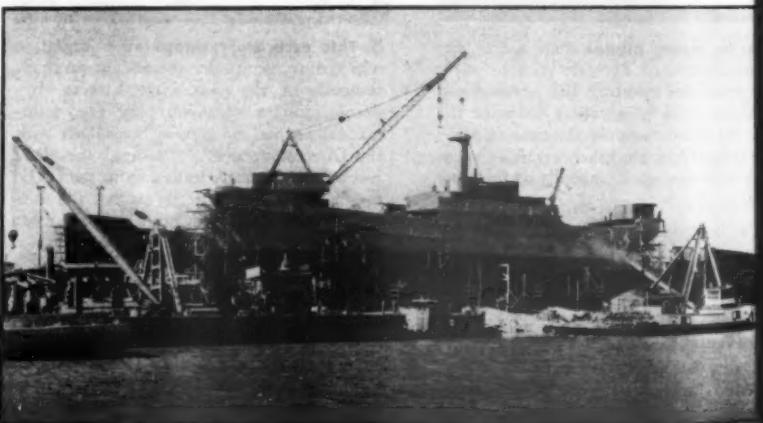
The possibilities for amicable compromise weren't too many. Incentive payments to get farmers to produce certain stipulated amounts of needed foods (just as much a subsidy as any of the

other plans) had been flatly rejected by Congress. The OPA's buy-sell plan under which the government would purchase all the important cost-of-living crops directly from the farmer and market them at a loss if necessary in order to hold ceiling prices, faced virtual certainty that Congress would appropriate funds.

• **Major Examples—**So Jones has been moving only as fast as he has been forced to. Two major decisions he concerned milk and potatoes, and the method of subsidy has been tailored to fit the case. In potatoes, where there is a very large surplus production (page 80), a type of buy-sell is in force so that the crop may not have to be dumped on the market at unsatisfactory prices; for milk, farmers get a direct subsidy ranging from 25¢ to 50¢ a cwt. (BW Oct. 2 '43, p7). A major cost-of-living subsidy—that to hold bread prices—hangs fire.

Although opponents of subsidies have spent a good deal of time denouncing them as un-American, such plans are anything but new. Protective tariffs, in effect, have subsidized United States industry. The same can be said of special mailing rates for newspapers and magazines; early mail subsidies to carriers such as steam railways, steamship lines, and airlines; and even the government's payment of deficits incurred by House and Senate restaurants.

• **Many Farm Subsidies—**More recent and conspicuous have been some of the subsidies paid the farmers themselves: benefit payments for soil-building practices, parity payments to help pull farm income up toward the long-cherished parity goal, and, in a degree, the start plan which was designed to he



LAND-LOCKED SHIPYARD

Ocean-going freighters can now be built far inland at Decatur, Ala., thanks to the Tennessee Valley Authority's waterway projects. From Ingall Marine Ways (above), vessels will navigate the Tennessee River's new

channel to the Mississippi and then to tidewater. This channel makes the 650-mile river completely navigable for inland shipping which will be served by three public river terminals which were recently opened at Decatur and Guntersville, Ala., and Chattanooga, Tenn.

and families on relief while moving in surpluses.

The farmer now argues that consumers were never so well able to pay for the products of American agriculture. Consequently, the farm bloc insists on fair price in the marketplace."

The farmer always has been something of an inflationist at heart. He is a gambler who, each year, takes a chance on weather and pests in the hope of coming out on top. Moreover, he usually is a debtor who would find much easier to lift the mortgage with \$3 than at 30¢.

Farm leaders are forced to draw some distinctions these days between subsidies to protect the consumer (although the farmer gets the money) and the benefit and parity payments of the last decade.

Novel, at least, is the idea of subsidies. Sen. George D. Aiken (R., Vt.) has entered a bill to launch a new crop plan to aid consumers who can't afford to pay the prices to be expected in free market.

Administration's Stand—Meanwhile, the Administration, pledged to labor to hold the October, 1942, line, declares few billions for subsidies would be a cheap price to pay to ward off the disaster of inflation. If farmers get more, administration officials insist, labor will successfully renew its demands, and the inflationary spiral quickly will be spinning at top speed.

If fighting the good fight for labor and the consumer in general will help the 1944 campaign, so much the better.

Postwar Glimmer

Detroit hears that one big automotive concern has ordered castings for new truck dies, and is exciting the motor capital.

The first faint signs of concrete planning for postwar automotive production are stirring in Detroit. One of the large companies placed orders for about 100,000 in heavy rough iron castings, intended to be made into dies. But the catch is that the dies are understood to be intended for trucks, not passenger cars.

More Civilian Trucks?—Automotive men point out that civilian truck allotments have been made for next year (W-Sep. 18 '43, p. 26), and that likely the truck producer in the market for die blocks expects permissible production of civilian trucks to continue to enlarge. This is the general expectation.

New dies would imply new truck models rather than more old ones—but not immediately. For castings of this



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When certain pirates started picking off what they wanted in China, Africa, Europe and the Pacific—before coming at us—they figured that the U. S. A. couldn't do much about it. For how could we transport armed forces and supplies without ships? We didn't have enough ships to handle even 30% of our peacetime ocean traffic!

But in twenty months America has broken all shipbuilding records, thanks to fighting workers in ship-

yards and factories. We're beginning to interfere with Adolf-Tojo plans.

Continued success now depends on our having enough men and women to keep up the pace in America's war plants . . . and getting officers and crews for the new ships. If you hold a license as a deck officer or engineer we urge you to go back to sea. Others, living near one of the six Wickwire Spencer factories, are invited to come and help produce Wickwire Rope for ship's rigging, and other materials for Victory.

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sort are generally aged for periods up to six months, so any warpage which develops will come before machining. Then the blocks must be shaped into the die forms. Ordering castings today, then, may not necessarily mean finished die deliveries until next fall or thereabouts.

- **Tool Quotations Sought**—Aside from the ordering of these castings, there are no evidences in Detroit of down-to-earth planning for civilian automotive output of any sort. It is common gossip that machine tool companies are being asked for quotations on prices of various pieces of equipment obviously intended for postwar use. But no orders have been placed. Analysts, therefore, consider that the inquiries simply constitute a part of the postwar thinking and broad-range planning going on in big corporations throughout the country.

SERIES SCORES BY PHONE

This week the New York Telephone Co. bought space in the sports pages of the local dailies to urge world series fans to "get scores . . . find out about postponements" by dialing MERidian 7-1212 (normally the number which furnishes only the correct time). That the arrangement would save countless operator-hours in the offices of newspapers and ball clubs, and relieve telephone line congestion generally was forecast by the fact that 295,000 "time calls" were handled during the afternoons of last year's world series—93,000 during the first game alone.

Beginning at game time Tuesday afternoon, one lone operator (without earphones to hear the voices of hundreds of fans inquiring at one time over a special circuit hookup) gave fans the dope at 15-second intervals after her rendition of the time signal. In St. Louis, there is no telephone time service, hence local fans had to get their scores via radio and newspaper.

Innkeeper No. 1

Air Forces still hangs onto 240 of the 473 hotels taken over by the Army in lieu of the construction of cantonments.

The Army Air Forces still is the biggest operator of hotels in the U. S. with 240 (two in Atlantic City and the others in Miami Beach) under its control. The Wacs hold a monopoly in Daytona Beach with twelve hotels, and the Surgeon General's Office has eleven in Atlantic City for rest centers. The military establishment has returned 210 hotels to their owners—109 in Miami Beach, 35 in Atlantic City, and the rest scattered about in Grand Rapids, Boca Raton, St. Petersburg, and other cities.

- **Tapering Off**—At its peak, the Army hotel program embraced 47,230 rooms in 473 hotels which could accommodate 151,000 men. It is the Army's point that cantonments of equivalent capacity would have cost \$100,000,000, whereas its hotel bill for rentals and maintenance was only \$22,290,000 up to Aug. 1. Since that date, the shifting of large numbers of troops to battle zones has led to a tapering-off program that is still under way. The cost of housing and maintaining a soldier in a hotel has been \$167.88 per year compared, for instance, to \$252.62 per man per year at Camp Polk, La. "In acquisition of hotel properties," says the House Military Affairs Committee, "the War Dept. deserves high commendation."

Only one hotel, the Stevens in Chicago, was purchased for a training center; of those bought for rest centers the biggest are: Greenbrier, White Sulphur Springs, W. Va., 2,000 beds; El Mirador, Palm Springs, Calif., 1,500 beds; Forest Hills, Augusta, Ga., 1,500

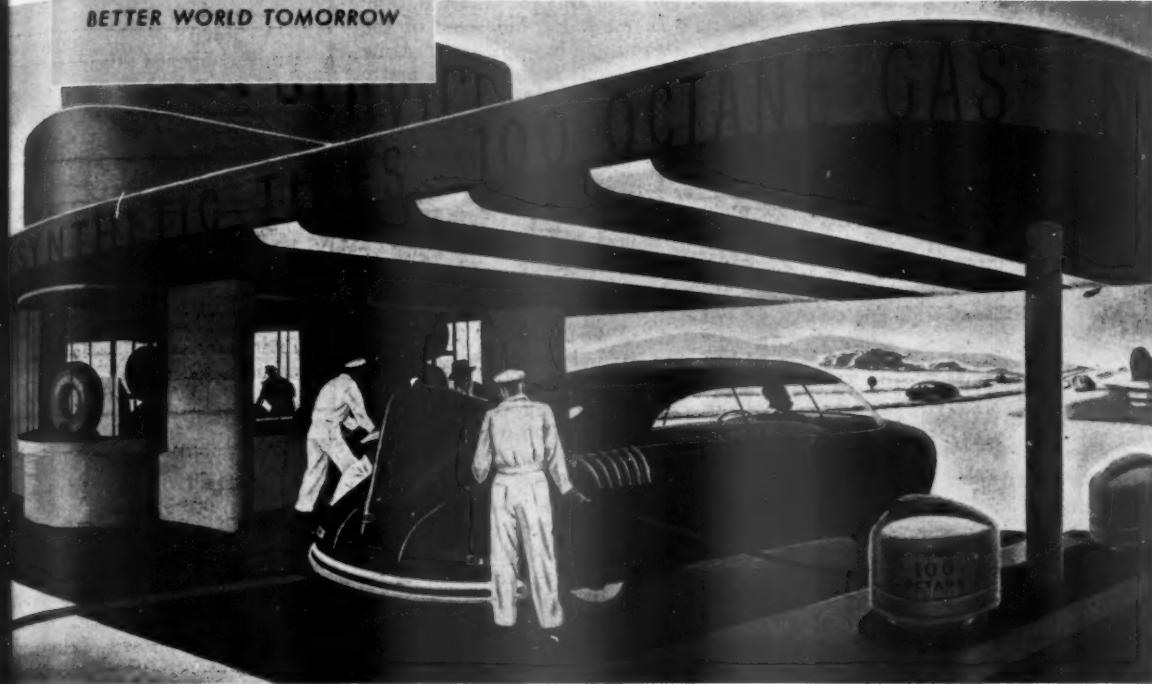


In front of camera again prance Florida's most famous tourist lures—bathing beauties—definite sign that the "tourists welcome" sign hangs high.

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uch to expect? Not a bit! 100-octane gasoline already is here for restricted use. Synthetic rubbers and advances in processing natural rubber. Both developed with the help of Republic Electric Furnace Steels—just as both became commercially available after war when engineers have more of fine steels to work with.

Republic Electric Furnace Steels include special steels, alloy steels, "air-quality" steels and stainless steels.

have shared in the outstanding developments of the petroleum, chemical and other leading industries—and American fighting equipment.

have brought to equipment and parts of many kinds high strength, toughness, hardness—and resistance to corrosion, oxidation and fatigue.

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The unvarying uniformity of their fabricating and heat-treating properties is obtained through the rigid control possible only in electric furnace melting. They dovetail into methods of mass production and effect economies which cut costs.

Republic always has led in electric

furnace steel development and production—and to meet tremendous war demands for fine steels, has increased its capacity nearly 900 per cent. To designers, engineers and manufacturers, this future abundance of finer steels will be a challenge—to produce the better things the world wants—to work with and to live with—in industry, in the home and on the farm. Republic Steel Corporation, General Offices—Cleveland 1, Ohio. Export Department: Chrysler Building, New York 17, N. Y.

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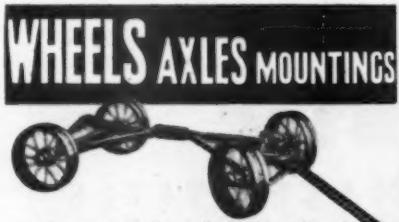
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beds; Miami Biltmore, 1,200 beds; Chicago Beach, 1,200 beds; Eastman, Hot Springs, Ark., 912 beds; Vista del Arroyo, Pasadena, 650 beds; Nautilus, Miami, 600 beds; and the Casa Loma, Coral Gables, 300 beds.

• **Canny Bargain**—The shouts of protest and cries of folly that greeted the purchase and sale of the Stevens, the world's largest hotel, hid some of the canny bargaining by which the Army Engineers saved taxpayers a pretty penny (BW—Sep. 18 '43, p32). It cost \$27,000,000 to build (22 stories, 3,000 rooms) and was bought by the Army for \$5,558,986.28; 13 months later it was sold for cash to Arnold S. Kirkeby for \$5,251,000. It was vacated last Aug. 15. Kirkeby is now planning to reopen it for a Nov. 6 convention he has booked, and his buyers are scurrying around for 150,000 pieces of silverware, 30,000 dishes, 3,850 bed springs, 5,000 pictures, and 40 miles of carpeting. He got the dressers, chairs, desks, lamps, room carpets, and full equipment for kitchen and coffee shop with the hotel.

As invalidated troops return to this country, those requiring rest will go to the Surgeon General's hotels; hospital cases, of course, go to regular military hospitals. The Air Forces will use its Atlantic City hotels as the first of three redistribution centers to reassign men returning to duty overseas. The rest centers include such famous establishments as the Traymore, Chalfonte-Haddon Hall, Dennis, Lafayette, and Colton Manor which together have 6,500 beds.

Pipeline Opposed

WPB's plan to pipe natural gas to the East fought by Texas and Louisiana in defense of their reserves and industrial future.

The War Production Board is determined that a new natural gas pipeline from the Southwest to the East shall be laid before the fuel shortages expected in the winter of 1944-45 have a chance to materialize. But Texas and Louisiana are equally determined to prevent a war-stimulated drain on their gas reserves, for in this cheap fuel, they contend, lies their industrial future.

• **Stiff Battle Seen**—The opposition already mobilized by the elected officials of the two states foreshadows a stiff battle over a hot political and economic issue—state control of natural resources.

Tennessee Gas & Transmission Co., now controlled by the Chicago Corp., has the go-ahead from WPB and the Federal Power Commission for a 1,228-mile line from the Corpus Christi region to Cornwell, W. Va., all but 72 miles of it to be 24 inches in diameter.

PICK AND PAY

"White market" is the name the Cleveland Chamber of Commerce Farmers Club gave to a trial system of bringing city pickers and surplus truck farm products together.

A group of 25 cooperating farmers opened their fields to their city neighbors on a pick-and-pay basis, at prices about 50% below the local retail market. One farmer sold off an acre of snap beans at 50¢ a half bushel; tomatoes went at 50¢ and 75¢ a half bushel.

It was estimated \$10,000 was paid for vegetables that otherwise might have been wasted because it would have been either impossible or unprofitable for farmers to harvest them.

WPB agreed to the necessary priorities on materials and left it to FPC to choose between Tennessee Gas and Hope Natural Gas Co. Hope, a subsidiary of Standard Oil Co. (N. J.), had planned a line from the Hugoton field of southwest Kansas and northwest Oklahoma, one of the nation's largest gas reserves.

• **Both States Opposed**—Tennessee ran headlong into official displeasure both Louisiana and Texas. Originally the company, which had not acquired any gas lines in its four years of existence, planned to lay one from Louisiana to the Tennessee Valley. Gov. S. Jones of Louisiana proclaimed to the world that no such line would be built from his state. His dictum was not easily contested because FPC disapproved that project and ended the fight.

But Texas has reared up in all official might now that FPC has authorized the Corpus Christi line. Texans fear early exhaustion of their natural gas reserves at the 200,000-cu.-ft. per day rate which is contemplated and a consequent end to the industrial expansion of the state.

• **At Their Own Risk**—Sen. W. E. O'Daniel, alert for months to the implications of a severe drain on his state's fuel resources, has a bill in Congress to prevent the postwar use of the Big Inch pipeline as a natural gas carrier. He is talking of a big tax on gas, with provision for refunds to Texas consumers. Sen. Tom Connally is on record as doubting the necessity of a new gas line. Gov. Coke Stevenson hints at a special session of the legislature and wants Tennessee Gas and its affiliates to say they build the line, they do so at their own risk.

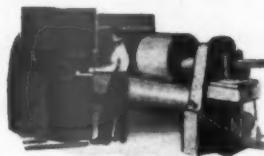
While Hope Natural Gas appears to be out of the picture, the company is keeping its application alive just in case.

machines Cry Quits

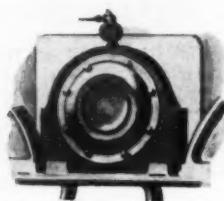
LET G.E. HELP YOU APPLY BREAKDOWN PREVENTIVES LIKE THESE...



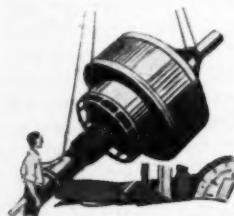
DIAGNOSING TROUBLE in the making is fast and sure with this handy G-E hook-on volt-ammeter, and can be done without interrupting service. This and other G-E portable instruments are widely used to analyze loads, to check for overloads, trace grounds, and determine power factor.



PREVENTING BREAKDOWN often begins with measurement of mechanical stress. G-E strain gages accurately measure stresses such as occur in rolling-mill housings. They can be used to sound a warning before overloads occur, or to track down weak spots in a structure.



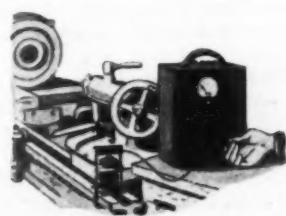
COOLING is a life saver for heavy equipment which must be loaded beyond its normal margin of safety. This suggests industrial refrigeration furnished by G.E. In one armament plant, cooled lubricating oil pumped to vital bearings is giving added life to huge, overworked presses.



REPAIRING OR REBUILDING, when it does become necessary, can be handled quickly by G-E Service Shops. Located in principal industrial areas across the country, these shops are equipped to restore any size or type of G-E electric apparatus to original factory specifications.



LOCALIZING DAMAGE due to short circuits, preventing damage from overloads, minimizing the effects of voltage surges—all are fields in which G.E. offers an exceptional variety of protective devices. These include lightning arresters, fuses, cutouts, air circuit breakers, relays.



REDUCING VIBRATION is the Number 1 step in keeping machines on the job, machines that must operate under today's "forced draft" speeds and loads. A portable G-E vibration-velocity meter will enable you to spot potential trouble quickly. Then you can eliminate it at the source.

Faced with the critical need for keeping equipment going full tilt under today's punishing loads, your maintenance man needs every ounce of help he can get. We of General Electric offer him our all-out co-operation in applying electrical preventives, such as those described here. Encourage him to call freely upon the experience of G-E engineers. *General Electric Company, Schenectady, N. Y.*

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WAR
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NATIONAL SERVICE LAW IS NEXT

West Coast labor stabilization plan is the Administration's final experiment in job control of legislation imposing compulsory compliance. And many specialists in the field of manpower administration are wondering privately whether the Coast formula might now be too late to avert such controls as those invoked in England.

All the Administration's chips are riding on the West Coast labor stabilization plan, designed to buttress production of aircraft and other vital armament by plugging the leaks in the labor supply (BW-Sep. 11 '43, p.96). If the plan fails, and if the war lasts another six months, a national service law is a dead certainty in the considered judgment of manpower experts and federal manpower administrators.

• The Final Gamble—These officials make no secret of their belief that the West Coast experiment, soon to be extended to all tight labor areas, is the final gamble, that bridging the narrow gap to national service is inevitable if this last fling at voluntary control of jobs is unsuccessful. Many, in fact, are privately fearful that the West Coast plan has arrived too late to avert the ultimate in job control.

But while there is general agreement that national service is inevitable in the long run, there are sharp differences over the form it should take. Three ideas predominate in the discussions. The first has its source in the Austin-Wadsworth bill. This measure boils down to saying that the best attack on the manpower problem would be to authorize the federal government to pluck out of homes and out of the less essential jobs men and women urgently needed for war production.

• Men and Women—The bill is a comparatively simple measure to "provide for the comprehensive, orderly, and effective mobilization of the manpower and womanpower of the nation in support of the war effort."

It calls for national registration of all men and women between 18 and 50, all of whom (except mothers of children under 18 and men and women exempted for legitimate reasons) will be liable for "personal service to the war effort in a noncombatant capacity." The President

is empowered, after he has determined that additional workers are needed in an essential industry, to call for volunteers. If an insufficient number respond, he may direct the Selective Service System to supply the required number from the file of national service registrants in its possession.

• WMC Objects—The bill would provide further that no person be assigned to a job where "reasonably suitable housing" is not available. The assignee will receive the pay and work the hours applicable to the kind of work undertaken. Traveling and subsistence allowances would be provided.

The most articulate objections to the Austin-Wadsworth bill as a national

service instrument are heard in the War Manpower Commission. Officials there maintain that it addresses itself to only one of four fundamental aspects of the manpower problem. The bill's critics say it is inadequate. They want national service legislation to provide for the regulation of employment and the recruitment and utilization of labor; for the integration of production, price, and wage policies; and for an obligation on employers to take or retain whatever labor a national service agency assigns.

• The Administration's Ideal—WMC Chairman Paul V. McNutt's desk is a draft of a bill which presumably covers all these points and establishes WMC, rather than Selective Ser-



If War Manpower Commissioner Paul V. McNutt's plea for more war workers fails, he may seek legislative action on a bill to set up his WMC, rather than the Selective Service System, as

a national service agency. But just how the public and Congress will react to his bill—or to the Austin-Wadsworth measure, for that matter—is uncomfortable uncertainty.



To England's Labor Minister Ernest Bevin is given almost unlimited authority over British labor, but it is power used with caution. Although England's national service laws have plenty of teeth, there is reluctance to use them, due to belief that freedom should be as unhampered as possible.

ice, as the basic national service agency. This bill, written by a panel of manpower specialists and expert bill drafters, is what the Administration considers an ideal instrument.

If the President had been convinced that the country would "take it," this bill would have been introduced in Congress months ago with full Administration support. But the White House still is not sure that the nation and Congress will accept such pervasive manpower controls. It is even uncertain that the Austin-Wadsworth bill can be passed without a bitter and protracted wrangle. • National Emergency Scheme—Consequently there is a third idea about how a national service act should be handled, and it is commonly attributed to the politically sensitive White House aides. This strategy calls for a declaration by Congress that a national manpower emergency exists. It would provide for the registration of all women between the ages of 18 and 50.

No delegation of power or authority is contemplated under this scheme. It assumes the continuation of all existing regulations which have been created under the so-called voluntary operations. It rests on the belief—which has largely proved out in Germany and Britain—that coercive tactics must be used sparingly in manpower administration lest they backfire. It would bring new labor into industry by moral pressure and would avoid even the formulation of penalties.

• Page Case Cited—Proponents of the "soft" approach to national service

Cyclone keeps 'em out!

1. Fence entire plant

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3. Guard all gates

THIEVES, marauders, snoopers and trouble-makers of all kinds hate and fear Cyclone Fence. For they have found that Cyclone ruins their plans. Even if a prowler should get over the fence, the high steel barrier with the tough barbed-wire top makes a quick get-away almost impossible.

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are so light and easy to handle they relieve clerks and operators of all the hardships of old-fashioned methods of addressing. The girls in your office will appreciate not having to lift heavy trays of metal plates—and the freedom from dirt, noise, and jamming that only All-Fibre Elliott Address Cards can guarantee.

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ADDRESSING MACHINES

... for Social Security . . . Taxes . . . Billing . . . Disbursements . . . Collections . . . Advertising . . . Record Control . . . Payrolls . . . Public Utilities . . . Insurance Companies . . . Issuing War Bonds.

found a new argument in Britain's Sydney Page case which was discussed in Parliament last week. Page, a boy who has been employed as a surface worker in a Nottinghamshire colliery for three years, was ordered to underground work when he reached his 18th birthday and thus became subject to national service assignment. He refused to comply, could not be persuaded to change his mind, and because he was violating a law was sent to jail.

Some 4,000 coal miners immediately left their jobs in a protest strike. A week later practically the whole Nottinghamshire field was down with 23,000 miners out and over 107,000 tons of coal lost. Young Page finally agreed to bow to authority and was released from jail to take a medical examination which probably will determine that he is too nervous to work underground. After he was released, the strikers trickled back to work, coal production was resumed, and the principle of national service was upheld.

• **Authority Used Sparingly**—Despite the virtually unlimited powers over manpower which the British government has assumed, authority has been used sparingly, and millions of new workers have been induced into the labor market, or shifted from one job to another without compulsion. Behind every suggestion and recommendation is the government's power to get tough, but except in

a rare instance—as the case of Sydney Page—where the sanctity of law is considered challenged, these powers are never mentioned. Reluctance to use them derives not only from a belief that freedom should be impaired as little as possible, but principally from the consideration that if a Sydney Page can be persuaded instead of forced, 107,000 tons of coal, or some other vital war output can be saved.

British manpower policy is decided by the War Cabinet and is administered by the Ministry of Labor & National Service. The basic law under which the labor market is regulated is the Emergency Powers (Defense) Act passed in August 1939, and subsequently amended, extended, and filled out with orders in council, regulations, and decrees.

• **How It Works**—Under these regulations, 18-to-40-year-old males have been called into military service unless they could obtain deferment for occupational reasons, the only possible grounds for deferment. Men 41 to 45 are immediately liable for induction, being in a status comparable to the group classified I-A by American draft boards. Men aged 41 to 50 have been registered for industrial service.

Single women 19 to 30 have been made immediately liable to service in the armed forces, civil defense, or industrial jobs, and those 19 to 24 already



One plan for national service is the bill of Sen. Warren R. Austin (right) and Rep. James W. Wadsworth which calls for registration of most men and women over 18 for noncombatant work assignments through Selective Service.

LOW COST POWER—TO WIN THE WAR NOW—AND THEN THE PEACE



A Toast to Jim.... Ex-Customer

TO JIM, ex-customer, now on his way to Nippon! America has made a soldier of Jim and he's giving his best to a dangerous job.

Jim's hope is to get back home at once, after this all-important work is finished, and be a customer again. Back to his folks! Back to the old job, or maybe a better one. Back where he can buy whatever he wants from our shops and factories—the conveniences and luxuries that help make America the best place on earth.

American trade and industry—which means all of us—must have Jim back as a customer—if stores and plants and farms are to provide jobs and goods and taxes. We stay-at-homes must bring him back. That deep, urgent, ever-lasting obligation demands our best right now. We can do much better for him than we've done to date

—buy more bonds, conserve food and vital supplies, work harder and more effectively to produce the important things that Victory requires.

We can't, we must not shirk or evade our end of this job in which we've asked Jim to risk his life. Let's bring him back as soon as possible—and let's bring him back to an America that's united, strong and free.



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TO GET RESULTS!

Army shower baths have no colored tile, curtains, or bath mats . . . but they have everything the boys need to keep clean! Whiting Victory Cranes are made without gadgets . . . but they have everything needed for their materials-handling jobs.



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Whiting Victory Cranes meet the exacting standards that have characterized Whiting Cranes for nearly sixty years. Soundly engineered, they are guaranteed for long, reliable service on the tasks for which they are designed. Whiting Corporation, 15661 Lathrop Ave., Harvey, Ill.



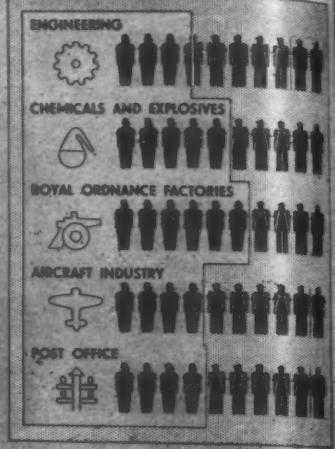
WHITING CORPORATION

QUIET-RUNNING OVERHEAD TRAVELING CRANES *for nearly 60 years*

British women in vital war work

(Each figure equals 10% of total workers.)

FIGURES ON WHITE GROUND ARE WOMEN



England, its national labor service getting into full swing, soft-pedals compulsion while using persuasion to lead workers to specific employment. With men 18 to 40 in military service, Britain's greatest labor reserve is women, 8,400,000 of whom have been registered and are filling vacancies in vital industries (above).

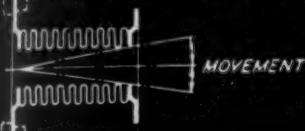
have been called up. All women 18 to 50 have been registered for industrial employment.

• **Britain's Experience**—In the first two years of the war, men were deferred from military service on occupational grounds according to a schedule of "reserved" occupations. The schedule listed the ages at which certain occupations or skills gave automatic deferment. Through this plan, millions of men not essential to industry were enlisted, but a reservoir of skilled men was maintained both for immediate and future industrial needs, and for maintaining the essential services of the community. As the shortage of manpower became more acute, the system was modified, and younger persons were reserved only if working in "protected" establishments. Finally in January, 1942, the schedule was virtually abolished. Manpower boards consider each registrant individually and grant deferment if the job is itself essential, and if the worker cannot possibly be replaced.

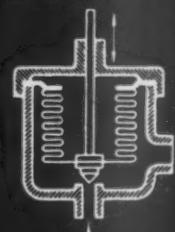
Britain's labor pool is regulated from every direction. No employer may hire except through the state employment office. No worker may seek a job independently. And a new order, aimed at preventing desertions from the labor market, requires an employer to notify the Ministry of Labor when any male worker 18 to 65 or any female worker 18 to 60 is laid off or resigns. In essential plants, permission of a national

Where to Use SYLPHON BELLOWS

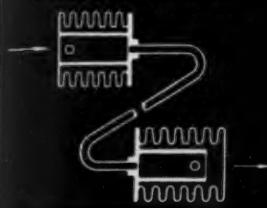
FLEXIBLE JOINT



PACKLESS
CONSTRUCTION



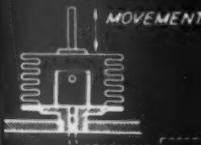
MOTION
TRANSMISSION



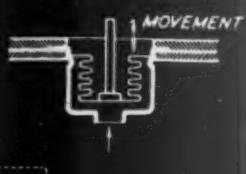
EXPANSION JOINT



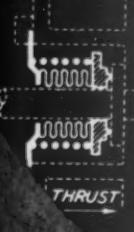
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**AVIATION
DIVISION**



Boy labor in England's coal mines, all but wiped out in recent years, is being increased now by government appeals for volunteers to "learn" mining. Compulsion to gain such ends has backfired, notably in the case of Syd-

ney Page. Refusing to go underground when ordered to, the boy was jailed, thus launching a strike of 23,000 miners before he was freed. Meanwhile, production of 107,000 tons of coal was lost.

service officer must be obtained before a worker is dismissed (except for serious misconduct) or before he is permitted to leave his job.

• **Priority Basis**—Labor is distributed in Britain in line with priority ratings assigned to establishments by the Ministry of Production. The basic aim in distributing labor is "to secure production in accordance with programs." To work out special labor allocations, representatives of the supply ministries meet every two weeks with an officer of the labor ministry and together review priority assignments.

The power to direct persons to specific employment has been used almost exclusively for direction to full-time work, but early this year it was announced that "appropriate persons," mainly women, would be directed to part-time jobs of 30 hours a week or less.

• **Three Categories**—Britain's greatest reserve of potential war workers is the women, 8,400,000 of whom have been registered. Those outside the 19-to-24 group called up for military service are divided after registration into three categories for the purpose of interview:

(1) Those who appear to be available for war work—these are called for immediate interview.

(2) Those engaged in some important work from which, it has been decided, women should not be transferred for the time being—these are not called immediately; their interview is only deferred.

(3) Those engaged in vital war work,

or those with children in the household—these are not called for interviews.

• **All Classified**—Women are being interviewed at the rate of 50,000 a week. At the interview they are classified as either "mobile" or "immobile," depending on their home responsibilities. Those who are available may be directed, if unwilling to go voluntarily, to a job in an area where there is a scarcity of woman-power. "Immobile" registrants may be assigned to full-time or part-time work in their local communities.

Young and "mobile" women are constantly being withdrawn from their present jobs when more important lines require labor. For example, almost all women 20 to 25 are being withdrawn from the heavy clothing industries, and all women not making utility garments in the light clothing industry are being sent elsewhere. In retail distribution, other than food and coal, the most necessary lines may retain women above 36 only, the less necessary ones above 45 only.

• **Element of Compulsion**—If any worker who has been directed to a job or ordered to stay in it is absent or persistently late without reasonable excuse, the employer is required to report the matter to the national service officer, who then takes up the matter with the employee and can recommend punishment.

The penalties for absenteeism and tardiness are the same as those provided for failure to comply with any direction



Sybil Is Still Waiting

NOT a bad looking girl in her day, Sybil. But she was waiting for just the right man—a fine, dignified man like father. Suitors came—and went—and Sybil waited.

The lusty young men in town settled down, as always, to do their part in making the world go, and Sybil waited to do hers.

Poor Sybil. She let her search for what she regarded as dignity blind her to the true dignity of vitality. Ah! Me! And you know, it's possible for a business man to make the same mistake. Let him pass up a vital force like Puck-The Comic Weekly because he thinks it's not a "dignified" enough medium for his product—and you've got another Sybil.

Join forces with "The Little King"—or "Dagwood and Blondie"... associate with such beloved favorites as "Donald Duck," "Skippy," and "Flash Gordon"... enlist that dauntless adventurer, "Prince Valiant," and style-wise "Tillie The Toiler" to help sell your products. In the pages of Puck you link arms with the sprightliest crew America ever clasped to its heart. These cartoon friends of America's are ready to become yours too.

Puck-The Comic Weekly, primarily a medium for popular entertainment, is especially well qualified to do a major advertising job. Here's why:

1.. Because Puck-The Comic Weekly accepts only a limited number of advertisements for each issue, visibility and readership are unexcelled. Space in Puck is a truly valuable franchise.

2.. Because more children (over 80% of all adults too) read "the comics" than any other single type of entertainment feature.

3.. Because Puck is a tested and proved result-getter. After an exhaustive study, the world's largest manufacturer of airplane precision instruments selected Puck-The Comic Weekly exclusively to carry its war time and post-war educational campaign on aviation. This campaign to cultivate today's and future markets is currently appearing in Puck.

15 great Sunday newspapers deliver Puck-The Comic Weekly to more than 6,000,000 families from coast to coast. Puck is actually read by well over 20,000,000 people of all ages in the United States.

To help sales minded executives bring future selling plans into sharper focus, Puck has prepared a sound and timely analysis of "Your Customers of Tomorrow." By all means ask to see this unusual presentation full of new selling facts—then consider it carefully. Puck-The Comic Weekly, 959 Eighth Avenue, New York—Hearst Building, Chicago.

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Protect vital industries with fire-resistant CONCRETE

For obvious reasons . . . fire hazard is greater in wartime.

No type of construction can prevent fires from starting, but concrete can help keep them from spreading, and help confine fires to the rooms or buildings in which they originate. And, because flying sparks can't ignite them, concrete buildings in the path of a conflagration act as effective barriers.

Concrete doesn't add fuel to the fire. It keeps its strength and stability for relatively long periods of fire exposure which would cause less resistant construction to collapse. Concrete buildings suffer less structural damage from fire and can be restored more quickly.

CONCRETE OFFERS OTHER WARTIME ADVANTAGES

In addition to firesafety, concrete offers rigid, durable construction with minimum use of critical materials. Transportation is saved, too, since the bulk of concrete ingredients is usually found locally.

On all types of war construction our specially-trained technical staff is ready to aid designers and builders in getting maximum service from concrete.

PORLAND CEMENT ASSOCIATION
Dept. A10b-12, 33 W. Grand Ave., Chicago 10, Ill.

BUY MORE WAR BONDS

issued under national service decrees. These penalties are the teeth which make Britain's national service compulsory. They provide, upon summary conviction, imprisonment up to three months or a fine of £100, or both; and for conviction on indictment, prison up to two years or a fine up to £500. In the case of a corporation, the amount of the fine is unlimited. If, after conviction, the offense continues, the worker or employer is liable to a further fine of £5 a day for every day he remains in violation of the order. These penalties are rarely used; when they are imposed, a parliamentary debate usually results.

• **Few Germans Disciplined**—Germany, too, with provisions for much severe penalties, has disciplined few people for failure to submit to national service orders. Instead, widespread noncooperation has resulted in revising, rather than enforcing, national service decrees. According to data in U. S. possession, even the Nazi dictatorship has had to rely on persuasion to organize the labor market. Slowdowns and accidents occurred and productivity dropped when the German Labor Front tried to push workers too fast and too far.

Foreign experience underlines the fact that manpower control is vastly different from materials control. But the record of our own handling of production has made it clear that the manpower problem creates almost all of our basic production bottlenecks, that our manpower resources and their utilization are the ultimate limitation on our war effort.

• **Still Voluntary**—Under the West Coast plan, hiring is controlled, labor priorities are established, efficient utilization of labor is promoted, and contracts are canceled when it is evident that insufficient labor is available. Except for the fact that women and men outside the labor market are not brought into jobs, this West Coast plan is "national service" in local effect. It still may be considered voluntary because, while an employer judged to have too much labor is forced to discharge some, there is no compulsion on workers to take jobs to which they are directed nor is an employer forced to engage anyone sent to him. Once that is added to the regulations, national service can go no further.

But no one who has played a part in trying to straighten out the West Coast's manpower muddle will suggest that making the plan compulsory will solve the problem. The Seattle and San Diego shortages may be calculated in terms of labor statistics, but New York's unemployed are not transferable because there are not enough homes, laundries, transportation facilities, and other vital civilian services in the aircraft centers. That is why some of Washington's best-informed officials say that, while a national service act is in the cards, the manpower problem can't be solved unless we recess the war and start all over.

1ST YOUR DOLLARS * * * * BUY WAR SAVINGS BOND



This Man Is Important to Your Family



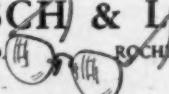
This man is guardian of a priceless treasure—the eyes of you, your family, your neighbors. He has earned his place of respect in your community through his contributions to healthful and useful living. His specialized skill is in the analysis of eyesight efficiency and the scientific correction of visual defects.

He knows how serious a handicap faulty vision can be to you; knows too that you are not always aware of eye-

sight defects that may exist. He is devoting his life to the study of human vision and the perfection of exacting scientific techniques for eyesight correction. Today he is working harder and longer than ever before—so that no skill or training will be lost to the war effort through lack of keen vision—so that no one dear to you will be handicapped because of faulty seeing.

We are proud of our association with such men—proud of the privilege we have enjoyed for 90 years, in supplying

them with precision instruments for eye examination and diagnosis, as well as the lenses, frames and mountings that make it possible for them to contribute keen, tireless vision to a working and fighting America.

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THE WAR—AND BUSINESS ABROAD

Lend-Lease Passes 15 Billions

Annual rate of aid to Allies approaches total amount expended in 2½ years, and now the shifting emphasis on exports affords a clew to what lies ahead for the Germans.

On the seven seas and across five continents, the products of American war industry move to the battlefronts under lend-lease. At the end of August, total lend-lease aid reached \$15,235,000,000, and goods transferred and services rendered during that month—at a new monthly high of \$1,261,000,000—were at an annual rate of \$15,132,000,000.

• **Britain, Russia Got 70%**—Lend-lease aid to Britain and Russia continues to dwarf aid rendered to the rest of the world. During the first half of this year, the European allies received 70% of all lend-lease transfers. China, India, and the South Pacific war theater received only 11%, the remainder going to Africa, the Middle East, and other areas.

In the broader perspective of war production, lend-lease transfers of munitions, valued at \$872,000,000, constituted roughly 16% of total U. S. munitions output in August. The month recorded a rise in munitions transfers of \$144,000,000 over July, a fractional drop in the transfer of industrial items (to \$152,000,000), and a sharp decline in foodstuffs transferred—from \$132,000,000 to \$90,000,000. Services rendered—mainly ship repair and transport of goods—rose from \$32,000,000 to \$147,000,000.

• **Exports Count**—More important than goods transferred (or services rendered), however, are goods actually exported, since at any time substantial backlog remain between the point of transfer and the ships which leave American ports. (Also unreported in lend-lease data, but of lessening importance as more and more cargoes get through to destinations, are percentages or totals lost en route. At one period these losses—particularly on the Murmansk run to Russia—ran as high as 50%.) In July, lend-lease exports hit a new peak (see cover) at \$1,021,000,000, only \$90,000,000 shy of total lend-lease exports during the first year of operation, March, 1941, through February, 1942.

During 1943, significant trends and facts have emerged from the necessarily obscure data released by the Lend-Lease Administration. In announcing the August figures, President Roosevelt emphasized one fact, that in a year which has witnessed the first major military operations of American armies, an increase in the amount of armament trans-

fers has characterized lend-lease operations.

• **Fewer Tanks and Parts**—No less noteworthy are the shifts in emphasis recorded in lend-lease data. During 1942, for instance, the U. S. shipped \$176,804,000 worth of tanks and parts to the Soviet Union. In the first six months of this year, total transfers in this category amounted only to \$6,504,000. At the same time, transfers of aircraft and parts registered a sharp rise. Half-year transfers were at an annual rate of \$440,000,000, while the 1942 total was only \$300,000,000. Transfers of motor vehicles and parts to Russia in the first half of 1943 were greater than in all of 1942,

and the percentage rise in food shipments was even more substantial.

In the realm of things to come, record of lend-lease shipments to Britain provides ample room for speculation. During 1942, the total value of tanks and parts transferred amounted to \$998,000 (\$10,521,000 in 1941). During the first six months of 1943, the total was \$322,360,000. This equipment could only be for use in land operations on the western front of Europe.

• **Aircraft Transfers Up**—Transfers of aircraft and parts to Britain, increased less spectacularly, totaled \$225,719,000 in the first six months of 1943, compared with \$267,762,000 in all of 1942. All other categories of aid to Britain increased this year for a half-year total of \$1,887,951,000. Total aid since the inception of the lend-lease program is \$4,458,000,000, and cash purchases of U. S.-produced war goods apart from lend-lease reached \$1,450,000,000.

Shipments to French North Africa continue to consist mainly of food and other civilian items necessary to maintain the economy of an area which constitutes an important base for Allied military operations in the Mediterranean area. To June 30, total lend-lease

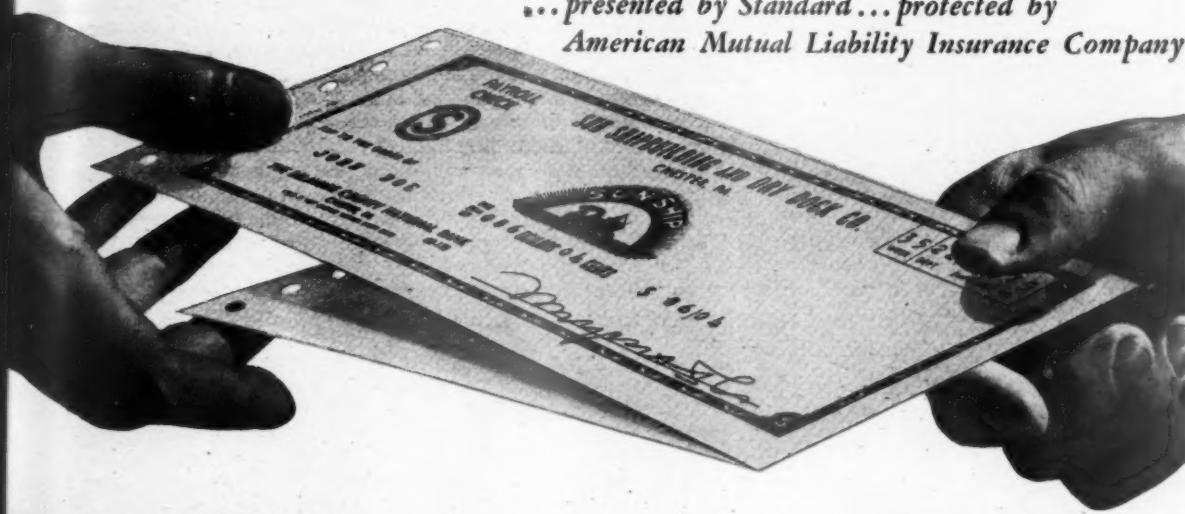
HIGHWAY FOR WAR

In northern Burma, one of the world's toughest terrains, Army engineers have hewn a new "Burma Road" to connect Assam and China. Built in part during the heavy summer rains with a minimum of roadbuilding equipment, the road connects a series of airfields along the ferry route from India to China. The new road will facilitate transport from the front when the Allies open their long-awaited Burma offensive and will shorten the distance urgently needed war goods must travel by plane to the Chinese front.



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Stranger than fiction, Automatic Alarm Systems employ tiny electrons to protect wartime industries, properties and plants from the giant hazards of sabotage, espionage and theft. With this modern system of alarms, sound vibrations, inaudible to the human ear, are converted into warning signals, to summon guards and designate the actual zone of danger. Safeguard your industry with modern Automatic Alarms, round-the-clock protection at minimum cost. Inquiries given prompt attention.

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aid amounted to \$48,000,000 and involved shipments of 190,000 tons.

• Settled through April—The reciprocal nature of lend-lease arrangements is best demonstrated by repayments in cash made by the French Committee for National Liberation. Last week the committee presented a check for \$16,340,000—the third, to bring total repayments to \$41,340,000—settling accounts up to the end of April, 1943.

But the cost of lend-lease runs high. Few realists, recalling the experience of the World War, look forward to full repayment—in kind or in cash—for the billions of dollars of munitions and food shipped to allied countries. President Roosevelt, a political as well as an economic realist, has ordained that now is not the time to discuss or admit this fact. When the last report to Congress on lend-lease was submitted, the letter of transmittal contained these sentences:

The Congress in passing and extending the Lend-Lease Act made it plain that the United States wants no new war debts to jeopardize the coming peace. Victory and a secure peace are the only coin in which we can be repaid.

• Repayments Increase—Following his return from Quebec, the President admitted that he had not read the letter of transmittal; he officially deleted the controversial sentences. For the time being, discussion of the issue is stilled, and repayment continues at an ascending rate to reduce the indebtedness of our Allies.

Calling Moscow

Radiotelephone service Russia is established, but channels are kept clear for press and government use.

Late last month a Washington official lifted his phone, asked for a connection to Moscow, and in less time than it takes to get many numbers in the Pentagon Bldg., he was conducting the first telephone conversation between U. S. and the capital of the U. S. S. R. • Two Hours Daily—After years of on-and-off dickering, marked by well-spectested contacts, commercial radiotelephone service between the U. S. and U. S. S. R. is now a fact. Established on a daily basis with a speed that had telephone technicians dizzy, the Moscow service is available between 9 a.m. and 11 a.m. (Eastern War Time), 4 p.m. and 6 p.m. in Moscow, an hour later in Kuibyshev. Rates from New York are the same as to London—\$21 for the first minutes plus tax (Sundays \$15)—and for the duration, only government and press calls are permitted. Other calls at the interests of the United Nations sponsored by a war agency are possible.

Completion of the circuit to Moscow leaves Chungking about the only major world capital not within speaking range of American phone booths. Stat-



FLYING ARABS

With an eye on future petroleum resources, Washington is oiling up its relations with the tiny kingdom of Saudi Arabia (BW—Aug. 28 '43, p76) by means of the dispensation of genial hospitality. Librarian of Congress

Archibald MacLeish helps out on the entertainment committee by showing two of the visiting Arabian officials the authentic genealogy of the prophet Mohammed. Foreign Minister Amis Faisal (left) and Amir Khalid are in a delegation of five princes and chieftains who flew to the U. S.

Imagine soldering metal to Glass!



HERE'S one for the book!

The young lady is soldering metal to glass to make an important piece of electrical war equipment, and she doesn't have to be fussy about it either. She just solders!

The reason this can be done today is that some time ago Corning developed a method of firmly attaching a thin film of metal to glass, as a base for the solder. It was just one of many glass-metal problems that were once called "impossible."

Being ready with ideas has been the glass industry's greatest contribution to our war effort. That, and the ability to mass produce essential glass without delay.

Take Corning for instance. Here research found ways to mass produce essential optical ware. Insulators, aerial and naval navi-

gation lenses, bulbs for electronic tubes, these and countless other war needed items are being turned out in vast quantities.

Our soldiers and sailors eat better in this war than they ever did before, and they are doing a lot of their eating out of husky glass messware made by Corning. On the civilian front, tons of metal have been saved for war use by famous Pyrex brand oven ware.

Glass isn't taking a back seat now, or after victory. Too many people are finding out something about its unusual qualities to ever let this happen.

They are discovering that glass is versatile. It has astounding strength. It can be shaped with great accuracy. It resists corrosion and abrasive wear. And they're finding out too that Corning

knows glass, not only as a producer but as a developer of glass ideas.

If you have an idea that Corning's knowledge of glass can help you put this still plentiful material to work in your plant to help win the war faster, you are invited to write. Corning Glass Works, Corning, N.Y.

CORNING
means
Research in Glass



MONEY BY THE BUCKETFUL

If inflation is not controlled, it may cost a bucketful of dollars to take the old familiar nickel streetcar ride.

High wages are not the cause of inflation. They help bring prosperity.

Inflation is caused by high costs and unjustified prices to consumers.

As long as Management does not worry about costs, both direct and indirect, we will have inflation.

As long as labor performs an easy day's work instead of a good day's work, high wages which should not cause inflation will contribute to it through excessive costs.

As long as business . . . the kind which we contact when we go to market . . . continues to charge "all the traffic will bear" we are reducing the purchasing power of the dollar and heading for inflation.

Our high standards of living are based upon high wages, low costs and low selling prices. As inflation goes up, our standards of living go down. And usually employment also falls off. Low prices and high wages create jobs.

HERE'S THE SOLUTION . . .

Management . . . CUT COSTS!

Labor . . . PERFORM!

Business . . . KEEP PRICES DOWN!

Everybody . . . RENDER GOOD SERVICE!

Geo. P. Trundle Jr.
President

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from the 1927 inauguration of service London, international radiotelephony has made rapid strides. Perhaps the longest commercial call on record was a postwar connection from Los Angeles to Tasmania (via New York and London) which ran 17,968 miles. Other maximum distances include:

New York to Sydney	10.4
New York to Moscow	4.7
New York to Rio de Janeiro	4.8
San Francisco to Hawaii	2.9
New York to London	3.4
New York to Buenos Aires	5.2

• **Axis Contacts Cut**—With the American Telephone & Telegraph Overseas Radiotelephone Service—which is linked to more than 21,000,000 American phones by Bell Telephone's Long Lines Dept.—was immediately cramped. In 1939, most of Europe was cut off when London pulled the plug. Direct contact with Axis nations was stopped by official action, but connections with Switzerland, Portugal, and Spain are still available.

Britain judges international calls by their war essentiality, permits no personal calls. This ruling affects U.S. calls to all empire points except Canada and Newfoundland. South American circuits have been unaffected by the war and calls may be made to the Dutch West Indies and will soon be possible to Trinidad.

• **Military Controls**—Alaska, originally tied to the U. S. by Army Signal Corps telegraph lines during the gold rush days, could be reached for personal and business calls until North Pacific war activities laid a heavy hand on all but high-priority calls. North Africa and the Middle East are strictly military spheres but it is probable that Washington bigwigs can talk to Algiers, Cairo, and points east if given Army sanction.

With the continuing improvement in equipment, international calls can be put through quickly and—barring cosmic storms—with a minimum of interference. Operators hold two watches on all calls, one for elapsed time, one for time deductible due to interference.

• **Costs Cited**—Staggered by the distances involved in foreign calls, few people realize how inexpensive a three-minute international call can be. From jumping-off points in the U. S.—New York, Miami, or San Francisco—typical charges exclusive of tax are:

Destination	Daytime	Night
Sydney	\$19.50	\$15.75
Moscow	21.00	15.00
London	21.00	15.00
Rio de Janeiro	15.00	12.00
Lisbon	22.50	16.50
Hawaii	9.00	7.50

* No night calls

All such rates are set in consultation with foreign governments. Plans are under way for postwar reductions to stimulate the volume of overseas calls.



Official U. S. Army Signal Corps Photograph

This barrage of thousands of anti-aircraft shells is glowing evidence of American Industry's work in supporting our fighting forces. Its ingenuity and energy produce these shells by the millions.

Backing up our soldiers and sailors on our fighting fronts are the men and women here at home producing the weapons and materials of war.

Every phase of this vast production in our arsenals of democracy calls for lubri-

cating and cutting oils of many kinds.

Texaco meets this nation-wide demand by distributing quality lubricants from its large network of more than 2300 wholesale supply points.

Responsibility however does not end there. To insure the utmost efficiency and output from each of its specialized petroleum products, Texaco offers the services of its Lubrication Engineers—on call for consultation wherever needed.

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INSURANCE . . . Precision-built to exact specifications, lasting performance is assured with all standard grades of FELT. From raw wool through hardening, fulling and processing, every step is scientifically controlled. Dependable FELT is available in any quality and quantity for hundreds of needs.

INDISPENSABLE as a lubricating agent, FELT is widely used for washers and wicks to release and feed oil at friction points. Aircraft engine lubricating systems have innumerable small, but vital, FELT parts, each cut to required specifications.

INCREASED USES for Cut FELT Parts are constantly being discovered. FELT can be quickly cut, turned or skived to form a limitless variety of intricate shapes. Unlike rubber, FELT demands no forming, heat treating or other processing before application.

INSULATION . . . Kapok, the famous "K" FELT, protects our airmen two ways: against deadly cold of high altitudes; against deafening roar of engines and guns. This feather-light material is flame-proof . . . moisture resistant . . . does not "grow" in weight.

INSTRUMENTS . . . FELT is used to polish lenses and to achieve the mirror-like finish on steel instruments. In aircraft, FELT mountings guard sensitive mechanisms against destructive vibrations.

INQUIRIES ARE INVITED on any question concerning the immediate or proposed use of FELT. Samples and data sheets available. We are SERVING INDUSTRY rather than merely selling FELT.

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Traveling Digest

Already well entrenched on foreign soil, Reader's Digest is casting a postwar eye even in direction of enemy countries.

Not long after the war ends there will be few important places in the world unreach by Reader's Digest. Already a walkaway leader in the U. S. publishing field and throughout Latin America (in both Spanish and Portuguese), the Digest recently has blossomed forth in Swedish and Arabic and has an eye on China, Russia, France, Germany, Italy, Japan, and the Dutch empire. Sales in the U. S. run close to 9,000,000 copies, monthly, and world circulation is better than 11,000,000.

• **Sold Out in Two Days**—Last month the Digest christened its Arabic edition (published in Cairo), Al Mukhtar Min Reader's Digest, and sold out a 60,000-copy issue in two days. The Swedish edition, launched earlier this year (BW-Feb. 27 '43, p99) with a conservative 65,000-copy print order, sold 185,000 copies in September and will top 230,000 net in December. Biggest circulation in Sweden is that of a woman's magazine with 273,000.

The first issue of Al Mukhtar was spread thin over the Middle East: 35,000 in Egypt and the Anglo-Egyptian Sudan; 6,000 in Palestine; 5,000 in Syria and Lebanon; and 4,000 in Iraq. The 29,000 persons who submitted suggestions for naming the Arabic edition won a total of 10,000 copies of the September issue. Since no gift copies are to be distributed this month, the number available for news stand sale will be increased by 10,000.

• **More in November**—Within two days after first publication, a clamor for more copies reached the Digest's Cairo office, but the October issue then on the presses was held to 60,000 copies because the only available presses were working mainly for the British Army. Arrangements have been made to boost the edition to 100,000 copies in November, more than twice the circulation of any other Arabic magazine.

All of the Digest's foreign language editions carry advertising, and four colors are available in all but the two-color Arabic edition. The roster of big U. S. advertisers climbing aboard the Digest in search of foreign markets after the war include such names as Ford, Firestone, Higgins, Allis-Chalmers, Caterpillar Tractors, General Tire & Rubber, U. S. Steel, Goodyear, Bausch & Lomb, Burroughs, Jacobs Aircraft, Packard, Hercules Powder, Studebaker, International Harvester, Glenn Martin, Dictaphone, and Standard Oil of New Jersey. Black-and-white page rates run from

\$300 in Al Mukhtar to \$1,400 Spanish edition.

• **Space Booked Solid**—Advertising the Latin-American editions is up to around 45 pages and has been solid through 1944. The Swedish edition carries about 25 pages of ads. The new Arabic edition already has advertisers. All editions carry ads in firms in the country of publication.

The Canadian edition, now on paper deducted from the U. S. quota, has a circulation of more than 400,000. British circulation, at 185,000 at the start of war, has boosted to 211,000 by trimming size and paper weight. The Spanish and Portuguese editions have a 1944 card guarantee of 800,000 and 300,000 copies respectively. Now printed by R. R. Donnelly & Sons, Chicago, editions will be printed abroad through the war. Both are distributed in disclosed quantities in Europe, news stands of Portugal (two have been confiscated by the Portuguese government), and in Africa through the British and American bassies.

• **By Plane and Train**—A special 50,000-copy English edition for service men in Africa and the Middle East is published in Cairo in cooperation with the U. S. Army and is carried by plane and train to troops throughout the (BW-Sep. 25 '43, p56).

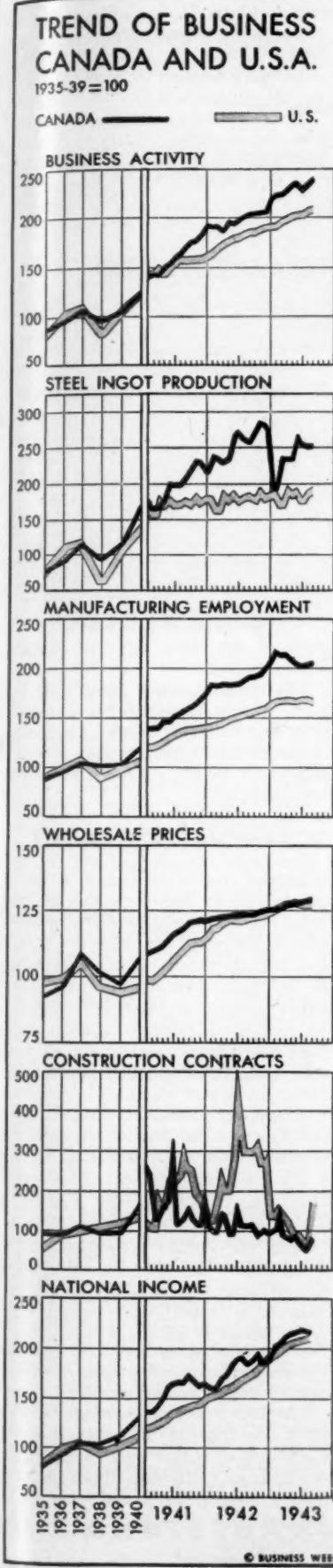
CANADA

Unions in Politics

Dominion's counterpart C.I.O. throws in with socialist group, against the Liberals, now reprisals loom.

OTTAWA—Worth watching in the months will be the direction of organization rivalry in Canada. Advanced in tempo during the last year by keen competition between Canadian Trades & Labor Congress (A.F.L.) and Canadian Congress of Labor unions (corresponding to C.I.O.), control of workers in war plants, mills, other big industries, and public utilities. The rivalry is now developing political angles which may alter its course.

• **Back Socialists**—C.C.L. has gone politics while its older and more conservative competitor has so far remained aloof. At its annual convention in Montreal last month, C.C.L. not only decided that the time had come for political action but chose the path of supporting the Cooperative Commonwealth Federation, Canada's rapidly growing so-



ist party. In August, the federation came close to walking away with the Ontario election, and it is now the principal opposition to a new minority Conservative government.

C.C.F. has made its gains mainly through labor support, aided by intelligentsia socialists, and it was rebuffed only by farm voters who think labor is getting more than its share of income and forcing up costs of goods farmers buy. In the same month, C.C.F. downed government candidates in a number of by-elections.

• **Public Ownership Plans**—Having chalked up these wins, C.C.F. is getting set for a bid for power in the next general federal election, compulsory in 1945 but possible sooner, and the Canadian counterpart of C.I.O. is backing the party. A main plank in the C.C.F. platform is nationalization of banks, railways, public utilities, and industry in general. Worried executives are mapping propaganda campaigns in defense of free enterprise.

Now wily Prime Minister Mackenzie King has discovered a weapon with which to punish the union for taking up political arms against the Liberal government. In the recent probe into labor relations, conducted by Judge C. P. McTague's National War Labor Board, all labor organizations plugged for direct labor representation on all government war bodies whose operations in any way affect workers. This is where C.C.L. and C.I.O. affiliated unions are due to reap the first fruits of their tangling alliance with political enemies of the administration. King is not likely to approve the appointment to war boards of labor spokesmen who are out to defeat him and his government. Recognition will go to other unions.

• **And What's Ahead?**—Even insiders are unable to figure the payoff. First effect will be to give the opposition unions an advantage in prestige, but the imponderable is what C.C.L. will do—whether it will weaken under punishment or whether it will capitalize on the discrimination by making use of it to strengthen labor forces for political action.

CUTBACK ANSWERS SOUGHT

Segments of Canadian industry are seriously worried by cutbacks in war production, most evident in shipbuilding. On the Pacific Coast, 40 out of 50 contracts for cargo vessels have been spiked. Shipbuilders are flocking to Ottawa to ask why, and they're followed by other industrialists who fear their plants may be similarly affected. War production chiefs remain silent.

In the absence of official explanations, it is assumed that either (1) production is up to immediate requirements, or (2) increasing coordination of U. S.-Canadian production is switching heavy work



SPRINGS ARE THE *MUSCLES* OF ELECTRONIC EQUIPMENT

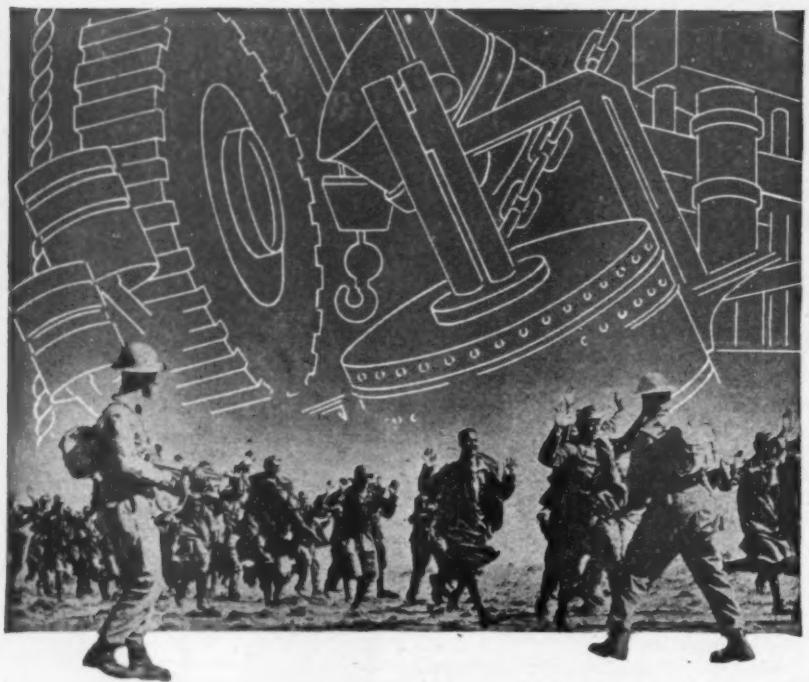
★ A TINY light flashes, and a massive machine starts operating. One little tube supplies the impulse. But springs are the muscles which control the mechanical motion—tireless muscles, capable of working continuously without strain.

To give the precise action necessary for electronic control, such springs must be designed for the application—all factors bearing on their use scientifically evaluated.

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BEHIND BOTH FRONTS Stands Industry

American Industry is certainly the First Front in this rapidly intensifying global war. The Petroleum Industry, one of the hardest pressed, has shown its good judgment in BUYING the best of equipment. Watson-Stillman is proud of the way its Forged Steel Fittings, Valves, Hydraulic Pumps and Jacks have contributed to this magnificent effort. The W-S Double Diamond emblem on every piece you BUY is a guarantee of Faith to the men who are doing the fighting. The Watson-Stillman Co., Roselle, N. J.

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over to bigger U. S. plants. In the case of ships, both assumptions are considered plausible.

Shipyard workers are being shifted to aircraft construction and other war work. Ottawa so far has not made any provision for rewriting contracts. In some instances where capital expenditures have been made, compensation has been given when contracts were canceled, but no standard procedure has been evolved

POLL FAVORS C.I.O.

Officials of the C.I.O. Mine, Mill & Smelter Workers' Union last week announced that in a preliminary poll, necessary under Ontario labor law, 8,812 of International Nickel Co.'s employees at the mines at Sudbury, Ont., signified they wanted an election in the plant to pick a bargaining unit for all workers, as demanded by the union (BW-Sep. 18 '43, p54). Only 19 votes were opposed.

Last week, also, the union was picked as the bargaining unit in International Nickel's big refinery at Port Colbun, Ont., near Buffalo, by a vote of 997 to 228, in an election held under the auspices of the labor court of Ontario's Supreme Court.

The union's largest local is at Sudbury, and its executive board member from that union, Robert Carlin, has just been elected to the Ontario provincial parliament by the highest vote cast for any candidate.

DOMINION FOOD BATTLE

Ottawa may soon launch a big expansion of its farm subsidies program in an effort to boost production for relief of liberated countries in Europe. The subsidy extension depends in part on whether Minister of Agriculture James Gardiner succeeds in getting into his own hands exclusive control of primary food supplies which he now shares with Price Control Chief Donald Gordon

A year-old battle between Gardiner and Gordon for control of policy on primary products appears to be entering a third and final round. The overall price control started with Gordon as boss. Last year, when Gordon proposed to overcome a beef shortage by embarguing export to the U. S., Gardiner intervened and won authority to subsidize farmers for the difference between Canadian and U. S. prices. Early this year Gardiner sought control of all subsidies, but he got only joint control with Gordon.

Gardiner now aims to offset the farm labor shortage by boosting subsidies. Farm output is now squeezed by rising demands of Canadian consumers, contracts to supply Britain and other United Nations, and stockpiling for the rehabilitation job.



INVASION!

ON WINGS BUILT BY
PULLMAN-STANDARD

A silent, deadly rain of destruction for tyranny drifts down out of the skies from huge transport planes—Douglas C47's, the same tough, dependable "work horses" of the Army Air Forces that wing their way over Africa, Sicily, and the Pacific islands bringing guns, ammunition and medical supplies to the fighting fronts and flying out the wounded.

"Give us plant capacity—quick! Give us men with 'know-how', men whose experience and resourcefulness fit them to tackle anything! We need them NOW!"

This was the call of America's aircraft builders, spurred by war's desperate haste. They needed help—and got it; found the plant, the management, and men—at Pullman-Standard. Here was experience in working and fabricating aluminum—Pullman-Standard had handled many millions of pounds of aluminum, probably more than any other single fabricator outside of the aircraft industry. For years, in building streamlined trains, Pullman-Standard had been a laboratory for developing and testing alloys and fabricating methods—and so these plane builders came to "headquarters" for the help they sought!

It was no accident that made Pullman-Standard specialists in wings for the Douglas C47's—the Skytrain—and when Douglas planned the mighty C54, the largest cargo plane in full-scale production, Pullman-Standard's past record made it the logical choice for more work—wings and tail assemblies. For Pullman-Standard's development of streamliners was ideal training for builders of aircraft assemblies. To these pioneer car manu-

facturers who built the first lightweight streamlined train in America, the fabrication of compound curves of aircraft was indeed no problem.

And who is turning out these great wing assemblies? Thousands of keen, eager workers! 40% of them are women. Some of the workers are old-timers back in harness from the retired list. All new employees are trained in vocational classes that never stop—tough courses in riveting, shaping, assembling, supervising, inspecting. Here, truly, is a well-disciplined, hard-hitting team that wants Victory—and wants it quickly!

Absenteeism? They have made a record as low as 1.72% at a time when the U. S. Bureau of Labor Statistics showed a figure of 7.2% for the combined airframe industries for the same period.

Short cuts, better methods?—plenty of them; some received via the Suggestion Plan which for 20 years has been a vital institution in all the Company's plants. One ingenious suggestion on wing-tip fabrication made it possible to do in a single operation what had always before required seven separate operations.

Safety? An excellent record. The first seven months of 1943 showed only 3.24 accidents per million man-hours.

And so it is that Pullman-Standard is turning out aircraft assemblies *on time—often ahead of schedule*; and saving count-

less dollars for American taxpayers—proof that the democratic incentive plan pays rich dividends in increased production and conservation of man power.

And what of the future?

Versatility, teamwork between workers and management, the initiative and resourcefulness that enabled Pullman-Standard to become shipbuilders, makers of tanks and howitzer carriages, bombs and shells, trench mortars and aircraft major sub-assemblies—these are solid assurance that the future is in capable hands; for out of war's gruesome business will come many contributions to human happiness and comfort. Today the all-compelling goal is Victory—that purpose which makes all else unimportant.

★ ★ ★

With our skills trained and sharpened; with engineering and scientific improvements and new discoveries in metallurgy; with more efficient manufacturing methods—all stemming from the great laboratory of war production—we shall give to the world better facilities for railroad transportation. America will ride in even greater comfort, and ship its goods in cars lighter in weight, cars that save operating costs for the railroads and amply satisfy all rigid standards of safety. This is but one of Pullman-Standard's post-war promises to America.

★ ★ ★

BACK THE ATTACK—WITH AN EXTRA BOND

Employees of Pullman-Standard are currently investing 10% or more of the total Company payrolls in war bonds.

PULLMAN-STANDARD CAR MANUFACTURING COMPANY

Chicago, Illinois . . . Offices in seven cities . . . Manufacturing plants in six cities

© 1943, P. S. C. M. CO.

PRODUCTION

Blasts in Check

Explosion preventives are growing apace with new uses for metal dusts; Bureau of Mines research parallels industry's.

Explosions are increasing as the production of metal dust, widely used in powder metallurgy, multiplies. But preventive measures are growing, too, and the U. S. Bureau of Mines soon will release results of a technical study of 14 metals and two alloys.

• **Industry Studying**—Dust explosion research began in coal mines, branched into flour and starch mills, got into farm barns, and now is in commercial laboratories and factories. Industry is making some of its own studies, alert to the dangers and avid for all findings that are available from the government's laboratories at Bruceton, Pa.

There are 30 or more metal powders

on the market, but the most dangerous is magnesium, which is so hungry for oxygen that it tends to burst into flame in such milling operations as those for a 200-mesh powder. Control methods include low temperatures, elimination of all sparks, removal of steam pipes or other heating equipment, elimination of oil in tool cutting, good dust hoods and forced suction removal, and strict control of humidity. Static or even sparks from shoe nails striking a concrete floor may cause a blowup, and magnesium's explosive force ranks among the highest three of the metal dusts (aluminum and zirconium are the others).

• **Gas Is No Blanket**—The vastly increased use for magnesium (production is 70 times that of 1939), as well as its great possibilities after the war, make this problem most significant. Inert gas as a blanket is of little help because the stuff burns brightly in 100% carbon dioxide.

Helium and argon blankets prevent fires, but they aren't available in sufficient quantities. Magnesium can be

ground safely in pure hydrogen, but you have to pass through the explosive range of hydrogen both in filling and in emptying your machine. Even a rainy day can make magnesium dust more dangerous, and a dry day increases static sparks.

• **Wet Grinding Helps**—Many of aluminum dust's explosive tendencies have been curbed by wet grinding in a fluid resembling a varnish solvent. This works well for paint powders, but the new aluminum dusts, such as the experimental ultrafine, come from atomizers which make practically an explosive gas of the powder while it's being reduced. In these new hazardous operations, tanks with thin walls are being used to minimize the damage when explosions occur.

Zirconium dust is a tricky firebrand that's mostly used as a primer for ammunition. It is so touchy that it burns when raised to room temperature, but as a paste it can be used to tip firing points in such things as flash bulbs where an electric current is needed to light it. Zirconium dust is made now only in laboratories, but its use is increasing. It is shipped as a sludge.

• **Water No Safeguard**—Respiratory problems can be met partly by prevent-



PLANE COOPERATIVES

Common problems—notably the big one of manpower and the necessity of draft deferments for essential workers—enable the aircraft producers to make increasingly common cause. First, the western manufacturers set up their Aircraft War Production Council (BW—Apr. 11'42, p35) for the exchange of technical information and assistance; then eastern producers followed suit with an A.W.P.C. for the East Coast (BW—Oct. 10'42, p24). Lastly, midwestern manufacturers or-

ganized a central association (BW—Mar. 27'43, p90). Although the central group still prefers to row its own boat, East and West Coast councils are embarked on an era of close cooperation. Witness last week's meeting in Washington—the second for the joint group—attended by (left to right, sitting): Donald W. Douglas, president of Douglas Aircraft; La Motte T. Cohu, chairman of Northrop Aircraft; T. C. Ryan, president of Ryan Aeronautical; Lawrence D. Bell, president of Bell Aircraft; J. C. Ward, Jr., president of Fairchild Engine & Airplane;

'Glenn L. Martin, president of Glenn L. Martin Co.; Guy W. Vaughn, president of Curtiss-Wright; Alfred Marhev, vice-president of Republic Aviation and (standing): Charles T. Leigh, vice-president of Consolidated Vultee; Cyril Chappellet, vice-president of Lockheed Aircraft; Rowland Burnstan, vice-president of Brewster; Victor Emanuel, president of Aviation Corp.; P. G. Johnson, president of Boeing; J. K. Kindelberger, president of North American Aviation; and L. C. Goad, vice-president of the Eastern Aircraft Division of General Motors.



FRESH FOOD ON THE HIGH SEAS



After a twisting, running battle through hot tropical waters, it takes fresh, nourishing food and cool, thirst-quenching drinks to rebuild the frayed nerves and spent energy of P.T. crews. Chrysler Airtemp refrigeration keeps meats, vegetables and frozen foods wholesome and appetizing on P.T. boats during long, heavy-action periods away from port.

Chrysler Airtemp Variable Capacity Radial Compressors are ideal for marine installations. They, also, are providing scientific temperature and humidity control, as well as refrigeration, in countless war industries . . . in Army hospitals, cannneries and at the global battlefronts.

An interesting booklet — *Chrysler Airtemp At War* — describes many unusual wartime applications of Airtemp temperature-humidity control equipment. It may suggest practical new ways of boosting production in your plant. Send for a free copy.



High Speed Machining

Precision Assembly

Gauge Room

BUY WAR BONDS

CHRYSLER AIRTEMP
AIRTEMP DIVISION OF CHRYSLER CORPORATION • DAYTON, OHIO

CHRYSLER-AIRTEMP
Dayton, Ohio

Please send me, without obligation,
"Chrysler Airtemp at War".

Name _____

Firm _____

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50 YEARS OF PROTECTION



Mr. J. F. McFadden, President,
American Credit Indemnity Company
of New York.
Baltimore, Maryland

Dear Mr. McFadden:

In any firm, a 50th Anniversary is a remarkable achievement but, because American Credit is an insurance company, your 50th Anniversary assumes added significance.

American Credit is now an "old insurance company"... and insurance companies become "old" only by honorable service... by excellent reputation in the business community. Our own 18 years of relationship is testimony of our confidence in both the financial strength and character of your Company.

While offering my congratulations, I should also like to extend my best wishes for the continued success of American Credit in the years ahead.

Very truly yours,
PLANTERS NUT & CHOCOLATE CO.

MP:MLP
M. Peruzzi



J. F. McFadden
PRESIDENT

FIFTH NATIONAL BANK

ing dust or by its efficient removal through suction machines, but when you're manufacturing dust it isn't a stepchild and has to be handled gently. In coal dust operations, water has been the best explosion preventive, but with metal dusts water won't always be a safeguard. With magnesium, it's a positive hazard.

Most hazardous dusts are called Class A by the Bureau of Mines; they include magnesium, aluminum, pure iron, magnesium alloys, titanium, and zirconium. Class B is made up of antimony, cadmium, tin, zinc, and impure iron. Class C powders won't explode except under high temperatures and include copper (biggest in bulk of this group), chromium, and lead. But when you get into the new alloys and the dusts they make, things get unpredictable.

- **Low Mortality**—Dermatoses, or skin itches, are other industrial hazards in dust but are probably outranked by respiratory troubles. Because metal dusts are the product rather than a byproduct and therefore subject to better health controls, they aren't so much feared for these possible indemnification cases as are the explosions they may cause. Deaths from metal dust explosions have run under a thousand a year. Fire damage to factories which has resulted from explosions has been much more serious than the financial settlements of personal claims.

Cooperation Pays

Pooled research results in substituting one aluminum alloy for another, thereby relieving an extrusion pinch.

Pooled research, invoked to solve machining problems that arose when a different aluminum alloy was adopted for extruded aircraft parts, has enabled West Coast plane producers to overcome a shortage of extruding facilities which was threatening to develop into a major barrier to increased plane output.

- **Change of Alloys Tried**—There was a shortage of extruding presses on the West Coast. The industry was working with an alloy termed 24S. Another alloy, 14S, can be extruded more rapidly, thereby increasing the output of equipment that is available. In the third quarter of this year, adoption of the latter alloy promised to give 42,000,000 lb. of extrusions.

Conversion had hardly begun, however, when seemingly insurmountable obstacles were found in the high-speed machining of the extruded 14S. Instead of an expected 40% conversion, it looked as though it was going to be difficult to achieve even half of that.

till the lights go on again

THE railroads face tasks today that are difficult to picture.

Passenger traffic has just about doubled in the last year.

A troop train starts off every six minutes of the day and night.

A freight train starts off every four seconds.

All this must be handled with just about the same equipment the railroads had before the war.

That means greatly increased wear and tear on engines, cars, rails and other equipment. And till the war is over, and the lights go on again, adequate replacement will not be possible.

But the day is coming when this replacement will be imperative. And it is going to take billions of dollars.

Where will this money come from?

We think the right way to provide it is to permit the railroads to build up adequate reserves now which can be used to pay for new cars and locomotives, new track and other facilities to replace those now being worn out in war service.

If this is done, the railroads will be able to keep on providing the dependable, low-priced transportation which made possible the peacetime growth and development of this country, and which is now an essential part of the nation's war effort.





Typical use of Battery Industrial Truck for Carloading

LOOKING AHEAD WITH THE RAILROADS

One of the reasons for the outstanding job being done by American Railroads in moving war supplies lies in the fact that carloading time has been cut by mechanical handling, thus increasing the car-miles per car.

Prior to the war, many progressive industries had demonstrated that by shipping package freight in units of 2 to 5 tons on skids or pallets, and handling them with industrial trucks, they could cut carloading time from days to hours—and from hours to minutes—with worthwhile savings in man-hours.

Profiting by this experience, the supply services of our armed forces are applying the same methods to a still wider range of commodities—subsistence, clothing, ammunition, and many other supplies that were formerly handled manually in small units. Result: further speeding up of carloading; further savings in man-hours; corresponding increases in car-miles.

This advantage is worth saving when peace comes, not only because it will help the railroads, but also because it will greatly reduce the cost of distribution in competitive markets. When peace comes, shippers should be encouraged to continue to package their freight on skids or pallets in units of 2 to 5 tons. "Unit Loads; Their Handling, Shipment, and Storage," a bulletin now in preparation, contains much useful information. Reserve a copy.



THE INDUSTRIAL TRUCK STATISTICAL ASSOCIATION

208 SOUTH LA SALLE STREET • CHICAGO, ILLINOIS

MEMBERS—Truck Manufacturers: AUTOMATIC, BAKER, CRESCENT, EASTON, ELWELL-PARKER, MERCURY AND YALE;
Batteries: EDISON, EXIDE AND PHILCO; Battery Charging Equipment: ELECTRIC PRODUCTS AND HERTNER.

meaning in effect a loss of 1,615,385 lb. of extrusions. (An average plane takes 1,500 lb.)

• One Typical Change—By pooling technical brains, 17 separate methods of machining 14S were developed in three weeks, each in many respects superior to those used for 24S. Typical suggestion: A saw with few instead of many teeth (4 instead of 1+) using tungsten-carbide tips, and run at high speeds (6,000 ft. to 14,000 ft. per minute) makes 14S more efficient material with greater output.

Hundreds of tests were conducted to determine types of tools, cutting speeds, lubrications, radius of bending, straightening after machining, temper, and like points, and the results were embodied in an interindustry report. The new alloy is preferable, the report concludes, if machined properly, because it shows less warpage.

Salt Publicized

West Virginia hopes, by talking up size of supply found in bed in Panhandle, to attract new chemical plants.

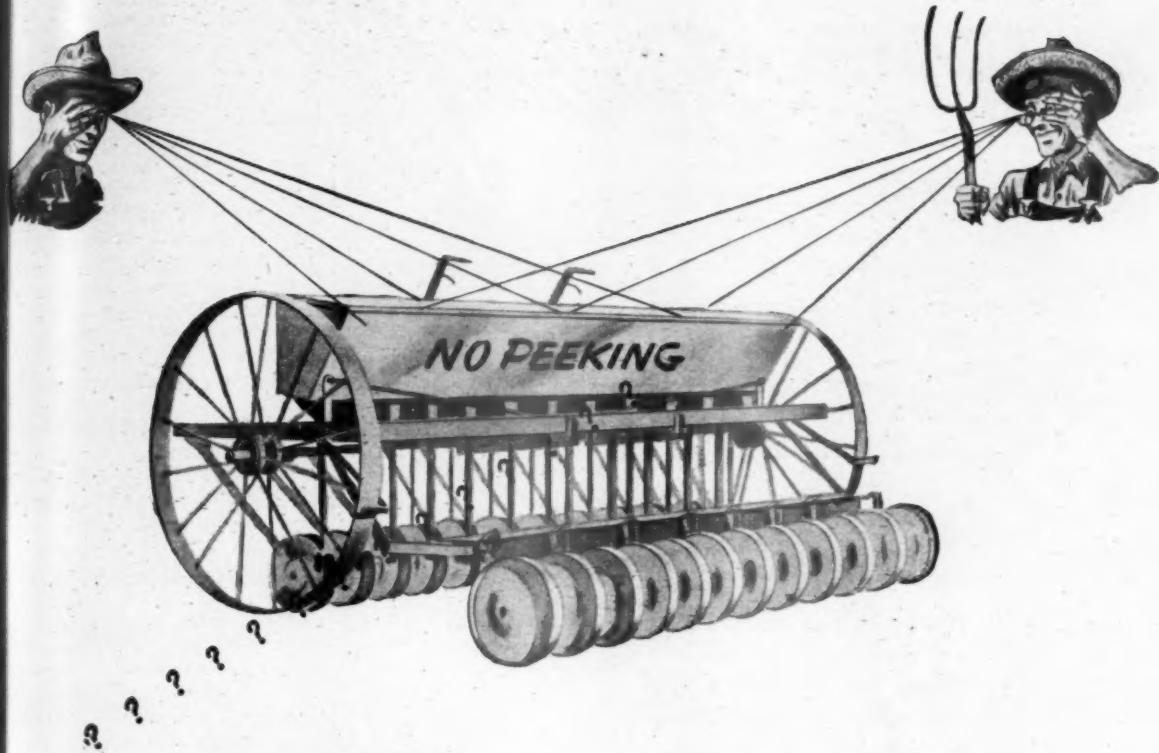
Business leaders of the West Virginia Panhandle hope that a 2,400-square-mile bed of salt will season the district's commercial interests with a chemical industry whose principal raw material is salt.

• Booklet Is Optimistic—Encouraged by reports of geologists concerning the stratum of rock salt found more than a mile below the earth's surface, the Ohio Valley Board of Trade, with headquarters in Wheeling, W. Va., has broadcast to 3,000 industrial executives and research engineers in the chemical industries an illustrated brochure predicting that the mineral discovery is destined to make Wheeling "the heart of industrial chemistry in the United States."

On the basis of information prepared by Dr. Paul H. Price, state geologist for West Virginia before he joined the armed forces, the folder recites that wells drilled at Natrium (Latin for sodium), W. Va., show the salt deposit is more than 110 feet in thickness. The average thickness is estimated to be 100 feet.

• Vast in Scope—The brochure goes on to recite that one acre will yield 296,000 tons of salt, and a square mile 188,000,000 tons. Analysis shows the rock salt to be about 98% sodium chloride. So large is the supply that it will outlast West Virginia's big reserve of coal which is required to convert the salt into soda ash, caustic soda, chlorine, and other compounds.

The state's hope is that the bed will



WHAT'S SO SECRET ABOUT A FARM MACHINE?

Perhaps you're interested in farm machinery. Perhaps. But the simple idea of designing a machine, or product, with more practical "see through" utility is one that could appeal to you.

We use farm machinery as an example. Why not make hoppers of grain drills, seeders, planters or lister cutters so the farmer could watch what is going on inside—watch the level of the seed . . . know that it is feeding properly . . . know exactly when refilling is required? Or take the many working parts of a combine, or a corn sheller. Or a cream separator? How much more convenient the user could always see that these parts are operating properly?

It's a simple idea, with a simple answer: make better use of a transparent material. Glass, of course. Not the glass of years ago. But modern L-O-F glass.

Glass is one of the few materials you *can* see through. (It's tops in that) But there's a lot more to this material. Dimensionally, glass is one of the most stable materials. Its surfaces are among the hardest and smoothest known. Nonporous. Acid-resisting. Unusually resistant to abrasion.

And modern L-O-F glass is strong. The way we temper glass a square foot, quarter-inch thick will withstand a pressure of 60 pounds per square inch and has a modulus of rupture of 30,000 pounds per square inch. We can laminate it with other materials. Give it to you with a metal collar. Or in multiple units that insulate. Or in special types that repel the sun's heat or ultraviolet rays. The final product may be had in flat sheets or bent shapes.

So just remember when you design any product for the home, for industry, or for any structure, there is a material that's strong and long lasting . . . and transparent. It's glass!

Perhaps glass fits your product or plant. Won't you write us about any use that interests you? That's the way to really find out. Libbey-Owens-Ford Glass Company, 8103 Nicholas Building, Toledo 3, Ohio.



LIBBEY·OWENS·FORD
A GREAT NAME IN *Glass*

BRIDGES to Berlin!



MICHAELS Trestles are used around the world for military bridges to carry our armed forces across small streams, or up to ponton bridges where deep streams and rivers must be crossed. With incredible speed, army engineers set these Michaels Trestles for a bridge so sturdy it permits the passage of heavy mobile equipment on its way to Berlin and Tokyo. ¶ The construction of bridge trestles is only one of Michaels' many war products—among which are extremely accurate devices (.0001" tolerances) for important weapons. ¶ Michaels' entire resources are dedicated today to the manufacture of war needs. But when the struggle has been won, Michaels will resume the production of Bronze Tablets, Time-Tight Exhibit Cases, MI-co Parking Meters and many other products of ferrous and non-ferrous metals needed for a peacetime world.



The MICHAELS ART BRONZE CO., Inc.
COVINGTON, KENTUCKY

Manufacturers Since 1870 of many products in Bronze, Aluminum and other Metals

raise it to a point where it can compete with the big producers such as Michigan, New York, Ohio, and Louisiana for a share in the nation's output. It promises to set a new record this year above 14,000,000 tons. With salt most used basic material in chemistry, 75,000 tons enter into the manufacture of each billion dollars worth of fine goods.

• Present Operation—The salt, located 6,300 feet underground, is brought to the surface by the familiar process of forcing boiling water into the beds and pumping the resulting brine. None of a chemical industry in the Wheeling area is a duPont plant and the DuPont Plant Corp.'s caustic soda and chlorine unit, operated by the Columbia Chemical Division of Pittsburgh Plate Glass Co. near Natrium. The drilling of holes to obtain water and salt for the Natrium plant was instrumental in revealing the expanse of these deposits.

SOYBEAN RESEARCH SHIFT

In an unexpected move, Robert Boyer is shifting his allegiance and widely publicized soybean research project from the Ford Motor Co. to Drackett Co., Cincinnati. As the last new director of scientific research takes with him several of his technicians and a major part of the laboratory pilot plant equipment developed under his direction. Henry Ford, meanwhile, let it be announced that his company will no longer be able to carry on soybean fiber research but was significantly silent about the continuation of research on plastics for automobiles.

Drackett entered the soybean field several years ago with the construction of a large processing plant near Shadyside, Ohio. In recent weeks, the capacity of the plant has been doubled under a WPB directive to increase production of soybean oil and meal. Plans for developing plastics, paints, textile fibers, paper coatings, adhesives, and other food products of the versatile bean are to be pushed under Boyer. Plants for production will be erected as soon as wartime building restrictions are lifted.

PROPS FOR SUPERPLANES

At least one of Chevrolet's big aluminum forge plants is producing propeller blades which measure 96 inches from base to tip—just a little over 8 ft. Rough calculations (blade plus hub plus blade) indicate that airplane propellers with blades of such size will have an all-over length of more than 10 ft., as compared with the 134-ft. propeller of the Commando, largest on any plane in current use. All of which gives some notion of the undisclosed size of the bombers and cargo planes which have been promised by the aircraft industry and the government.



No "SHADOWTAGE" here

"Shadowtage" means sabotage due to shadows on the working plane — especially when they blur delicate machining operations held to tolerances of $\pm 1/10,000$ th of an inch.

The best-known answer to "shadowtage" is the scientific installation of shadowless and glare-free fluorescent lighting.

It is our job to supply the fluorescent and incandescent lighting equipment that is helping to speed war production all over the country.

Aggressive and independent Sylvania research developed and introduced the first successful fluorescent installation — forerunner of war plant fluorescent by the thousands of miles of lamps today.

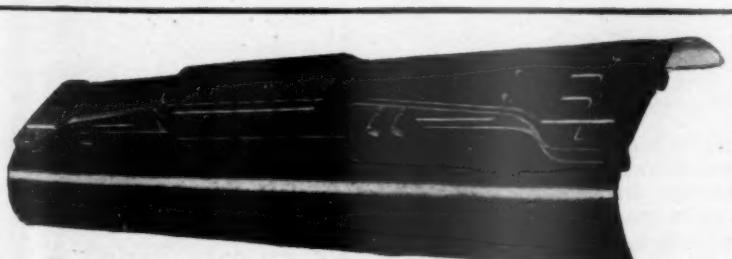
And now — years ahead of time — Sylvania is producing the fluorescent fixture of the future. A revelation in simplicity and adaptability, one standard fixture meets any industrial lighting requirement. Similar developments may bring economical fluorescent lighting into American homes after the war.

For industrial fluorescent lighting equipment, designed to work together, specify Sylvania Fluorescent Lamps, Fixtures and Accessories for replacements and authorized new installations.

SYLVANIA
ELECTRIC PRODUCTS INC.

Formerly Hygrade Sylvania Corporation

*Incandescent Lamps, Fluorescent Lamps,
Fixtures and Accessories, Radio Tubes,
Cathode Ray Tubes, Other Electronic Devices*



THE FIXTURE OF THE FUTURE. This new fixture, which can challenge comparison with any other in the fluorescent field, is much more than a design to save critical war materials. Its non-metallic reflector has an efficiency of 86 per cent — actually more than that of enameled metal. The streamlined top housing, constructed like a cantilever bridge, encloses the ballast—protects it from dust—provides cooler performance.

How the
FORK TRUCK -
"TRACKLESS TRAIN"
 SYSTEM
*Helps the Navy Speed
 Materials Handling*

When hauling distances exceed 300 feet, fork trucks are most effectively used to load trailers, which are then made up into trains and hauled by industrial tractors whatever distance may be necessary.

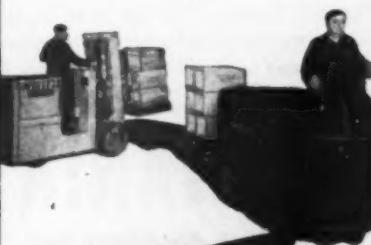
Reproduced through the
 courtesy of Exide Ironclad Topics

In naval warfare every single minute saved in getting supplies to the battle areas means that fewer lives will be lost in combat.

To speed the flow of materials the Bureau of Supplies and Accounts of the Navy Department fully utilizes every kind of modern material handling machine and the most efficient method of operating them.

To handle palletized materials distances of 300 feet and over, the Navy has found the Fork Truck—"Trackless Train" System the most efficient method. The system provides better all around operation, since neither men, fork trucks, nor tractors are idle during loading or unloading of trailers.

For the story on Mercury Tractors, Trailers and Lift Trucks request Bulletin 230.



MERCURY
 TRACTORS
 TRAILERS • LIFT TRUCKS
 THE MERCURY MANUFACTURING CO.
 4146 South Halsted Street • Chicago 9, Illinois

NEW PRODUCTS

Poroseal; Lectraseel

Two new products, Poroseal and Lectraseel, are being introduced by the Pemco Corp. (formerly Porcelain Enamel & Mfg. Co.), Eastern & Pemco Aves., Baltimore. The first is a non-organic coating for sheet steel, malleable iron, cast iron, and other metals, which will be available in a wide range of colors; the second is a vitreous coating for electric resistor coils which is "highly resistant to thermal shock . . . immune to corrosion . . . its coefficient of expansion and contraction 99 times out of 100 will parallel that of ceramic cores now in use."

Although Poroseal is nonorganic, hence neither a paint nor a lacquer, it is not a porcelain enamel. It "matures," rather than fuses, at comparatively low baking temperatures from 250°F to 750°F, enabling its application to lighter gages of sheet steel without distortion. It is applied by spraying or dipping and is described as "highly resistant to corrosion, acids, solvents, heat (remains intact at temperatures in excess of 1,100°F), and abrasion . . . is nontoxic, homogeneous, and odorless."

Warner-Lite

Newest portable light is the Warner-Lite, product of Warner Electric Co., 663 N. Wells St., Chicago. In its hand-rubbed, $7\frac{1}{2} \times 7\frac{1}{2} \times 3\frac{1}{4}$ -in. oak case are new "featherweight" storage batteries which



are recharged by plugging a connection into the cigar-lighter socket of an automobile. Its 5-in. prefocused light is said to project a 1,000-ft. beam. Batteries are said to "give 2,400 hours of steady light before replacement—a recharging life equal to \$120 worth of ordinary flashlight cells."

Tractor Grip-Lugs

When grousers, or grouters, on the shoes of crawler tractors become worn and cause the tracks to slip and slide

over the terrain with resultant loss of tractor efficiency, you might try treating them with Bulldog Brand Tractor Grip-Lugs, new product of Allied Steel Products, Inc., N.B.C. Bldg., Cleveland. They are cut to the width of a track from specially shaped steel bars and attached by welding. Grooves and slots on both sides of the lugs facilitate the laying of welding beads.

Radionic Hearing Aid

Mass production is starting immediately on the new Zenith Radionic Hearing Aid which will be retail



\$40 through optical stores. Each will be equipped by the manufacturer, Zenith Radio Corp., 6001 Dickens, Chicago, with four ear pieces in a variety of sizes which will permit the purchaser to experiment at home with the size that fits his ear best.

In addition, it will be equipped with a four-position tone control for instant compensation for various types of auditory conditions. Heart of the device will be a compact radio-type amplifier with tiny radio tubes operating on the same electronic principle as those in a standard receiving set. Crystal microphone will be sealed against temperature and humidity changes. Available at extra cost will be a "power pack" for use in the office or laboratory instead of batteries. It will plug into any standard a.c. circuit.

Shine Remover

Ralph Harper McKee, Ph.D., professor in chemical engineering at Columbia University, comes to the relief of war-constricted wardrobes with a new chemical formula for removing stains from clothing. It will be manufactured and marketed by Pettingell & Fenster Inc., 673 Fifth Ave., New York, under the name of Shyn-O-Way. It will contain

in a 16-oz. bottle, packed with a renapping cloth in a strong carton. Tests conducted by United States Testing Co. indicate that the fluid can be used in both clothing and furniture upholstery without injury to fabric.

Nonfouling Cartridge

New ammunition for the 30-caliber military carbine is a Noncorrosive Cartridge developed by Winchester Repeating Arms Co., New Haven, Conn., a division of Western Cartridge Co. It has a new primer which, instead of producing rust in the bore, leaves a protective coating which cuts the number of cleanings considerably. Manufacture of such noncorrosive ammunition for sportsmen will probably have to wait the war's end.

New Products Briefs

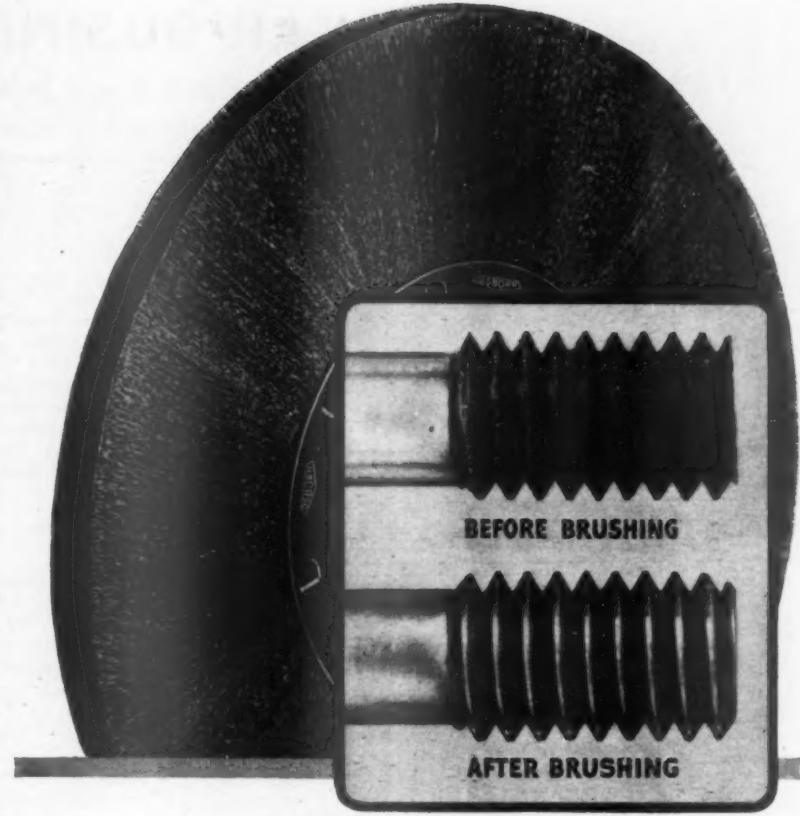
Also reported this week, not only for their interest to certain designated business fields, but also for their possible import in the postwar planning of more or less allied fields and business in general, are the following:

Agriculture—Farm tractor tires promise to be filled more completely with air—adding water when the new Firestone Hydro-flator is used. It is an inexpensive device manufactured by Firestone Tire & Rubber Co., Akron, Ohio.

Metalworking—The Whitcomb Quick-enter is a new electrically powered machine tool developed by Whitcomb Mfg. Co., Troy, N. Y. Its purpose is centering round bars from $\frac{1}{4}$ in. to 3 in. in diameter preliminary to machining them on centers. You lay a bar on a V-block, turn a hand wheel until it is held securely between another rising V-block and a lowering button, and feed the centering drill by means of a lever.

Shipbuilding—Studs are end-welded automatically to ship plates and other steel members in less than a second with the new Nelson Electric Arc Stud Welder, product of Nelson Specialty Welding Equipment Corp., San Leandro, Calif. Business part is a pistol-gripped hand device about the size and shape of a medium-sized electric drill. It will handle studs from $\frac{1}{8}$ in. to $\frac{1}{2}$ in. in diameter and from 1 in. to 8 in. in length.

Foundry—The Mogul Core Breaker, new product of Cleveland Rock Drill Co., 3744 E. 78th St., Cleveland, promises to expedite the removal of large cores from heavy castings. It is a powerful pneumatic hammer mounted on wheels. You roll it up to a casting and plunge a standard 13-in. rock drill bit into the core which rapidly disintegrates into loose sand under the combined hammering, ramming, and rotation of the bit. The company also has under development an attachment for pulling rods out of large cores.



Victories hang by these threads —clean them faster

• Speed the cleaning of these threads! . . . the threads on bolts and studs and shafts and axles and gears. They're the threads that hold a war machine together . . . the threads that victories hang by!

Normally such threads have tiny burrs and ragged corners. You can see them in the magnified view at the top. Often these particles of metal slow up assembly operations. More than that, there is always the danger that they will break off and ultimately score or damage vital moving parts.

That's why today the great majority of threaded parts for war work are being cleaned. And to clean threads thoroughly and efficiently more and more companies are turning to Osborn power-driven brushes to speed up this important operation.

No matter what the stock or depth of cut, there's an Osborn brush for every thread-cleaning job. There are, in fact, Osborn brushes for speeding up every industry's cleaning, polishing, buffing and finishing operations.

An O.B.A. (Osborn Brushing Analysis) conducted in your plant by trained Osborn representatives may uncover vastly important ways in which Osborn brushes can cut time and costs and boost your production of urgently needed materials. Write today to *The Osborn Manufacturing Company, 5401 Hamilton Avenue, Cleveland, Ohio.*



WORLD'S LARGEST MANUFACTURER
OF BRUSHES FOR INDUSTRY

MARCHANT First WITH FIGURE DIALS FOR ALL 3 FACTORS

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This eliminates the usual inefficient eye-straining and time-consuming zig-zag hunt through 90 keys to check a factor.

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SALES AGENCIES AND MANUFACTURER'S
SERVICE STATIONS GIVE SERVICE EVERYWHERE

WAR BUSINESS CHECKLIST

A digest of new federal rules and regulations affecting priorities and allocations, price control, and transportation.

Farm Machinery

A new and more flexible farm machinery distribution program, outlined by War Food Administration, reflects the improved production outlook for 1944 that is indicated by WPB Order L-257, authorizing 80% of the 1940 output for 1944 instead of the 40% authorized for 1943. Beginning Oct. 15, only 46 types of machinery will be restricted, as against 91 previously under rationing and distribution controls, and no quota restrictions are set for 1944 repair parts. (Food Production Order 14, and Supplement 1.)

Livestock Feeds

To protect dairy farmers against increases in the prices of dairy feeds, including hay, above the September, 1942, level, a War Food Administration program, effective for the rest of this year, provides payments—either through cooperative marketing associations or direct—to dairy producers on the basis of the rise in feed costs since that time. The increase in present milk prices over prewar prices will be considered in estimating payments, as will any milk subsidies in a given area. Payments will not exceed 50¢ per cwt. of whole milk, delivered, or be less than 25¢ per cwt., except in areas where other programs are in effect. Prices of dairy products will not be affected.

To facilitate the use of oilseed meal and cake for livestock feeding during the 1943-44 season, controls have been placed over shipments, sales, and inventories of cottonseed, soybean, peanut, and linseed oil meals, and 20% of monthly production of these meals has been set aside for allocation. (Food Production Order 9, revised.)

Wines and Spirits

Processors' sales of current California wine (a substantial part of the wine from 1943 grapes), in bulk and in packages, have been given ceilings, at going prices generally, but under conditions that involve some decrease at retail. Wines of the 1941 grape crop and earlier, however, will sell at their March, 1942, highs as adjusted. Processors' maximums are estimated to give a return to the grower of \$30.30 per ton. (Amendment 3, Regulation 445.)

Ceiling prices of Cuban and Mexican gins, now being imported into this country in bulk and then bottled here, have been revised upward at port of entry to meet the protests of importers; markups will effect a maximum increase of from 20¢ to 25¢ per bottle at the consumer level. (Amendment 2, Regulation 445.)

Milk and Milk Products

According to a War Food Administration announcement, federal control over fluid milk sales, through the establishment of quotas on deliveries of milk, cream, and milk byproducts, has been put into effect in the following cities: Baltimore, Md.; Washing-

ton, D. C.; Roanoke—Richmond—Newspaper News, Va.; Cincinnati, Toledo, Dayton, Canton, and Cleveland, Ohio; Chicago, Ill.; Omaha, Neb.; Council Bluffs, Iowa; St. Louis, Mo.

Enriched Flour

Millers and blenders of enriched flour are allowed an additional 7¢ per cwt. above the markup of 10¢ per cwt. formerly allowed over maximum prices for unenriched flour. This is to meet increased cost of vitamins and minerals in enriched flour recently announced by Federal Security Administration. (Amendment 8, Regulation 296.)

Sugar

To assure adequate stocks for dealers to meet the increased demands of industry and of home canners, OPA has announced temporary increases in the sugar inventories of wholesalers and retailers need not be canceled before Nov. 15, 1943. Previous increases were authorized only through Sept. 30. (Amendment 92, Ration Order 1.)

Petroleum

To improve distribution of petroleum products so as to meet the needs of East Coast consumers, an order issued by Petroleum Administrator for War requires all one importing principal petroleum products into District I to obtain approval for supplies except those already authorized by the regular monthly schedule under Directive 59. (Petroleum Administrative Order as amended.)

Zinc

The amount of zinc allowed for items not specifically prohibited in List A, Order M-11-b, has been set at 15% by weight per quarter of the amount of zinc produced by anyone during 1941; formerly, the amount allowed per quarter was 50% of the amount used in the corresponding quarter of 1941. (Order M-11-b, as amended.)

Lanolin

Lanolin sold by primary distributors and wholesalers has been given dollar-and-cent ceilings by a regulation affecting about half the total amount sold for drug and cosmetic use, and covering both U. S. Pharmacopeia anhydrous and hydrous lanolin. Wholesalers' ceilings show a 15% markup over costs on large quantity sales and a 30% markup on the two smaller container sizes. Producers' ceilings are governed by MP-53, while retailers' prices continue under GMPR. (Regulation 474.)

Brass Mills

Under a new Controlled Materials Program direction, brass mills are permitted to ship orders calling for less than 1%

THE KID TAKES OVER

This morning, all at once, the guns stopped firing here.

Then the Yanks came in.

And hungry people cheered.

Now it is almost quiet. Men in khaki patrol the streets. They look for booby traps. They search for wounded underneath the rubble.

Suddenly, the kid sees a little girl . . . sobbing, frightened, cringing in a doorway.

* * *

He smiles, holds out his hand. She backs away.

"Come. Don't be scared. I won't bite you."

She looks up. She doesn't understand the words, but she knows the common language—kindness.

He stoops and lifts her in his arms. From a pocket full of cigarettes and souvenirs—out comes a candy bar.

She takes it in her hands, unwraps it. Now she takes a bite. Her eyes light up—she smiles.

And suddenly, a world black with hunger, fear and hate is bright—with peace and human love.

* * *

A couple of hours from now, tonight, again the zero hour will come. The guns will shake the earth. The tanks will roll.

This kid and a thousand other fighting Yanks will push ahead—

With food and comfort for the bomb-shocked children, hiding in the cellars of the world.

* * *

Today when you plan to travel, remember the countless things that we must do to help the kid.

Freights must roll to fill a thousand ships.

Troops must keep on going endlessly. At home the forging of the tools of war must race ahead.

We dare not—and we shall not fail him. For more than we may realize, he needs our every effort—every hour, until his job is done.

THE NEW HAVEN R.R.

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the Great Industrial States of
Massachusetts, Rhode Island and Connecticut,
in War and Peace.



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**Oil-Hydraulic Plane Lifts
Speed Production, Servicing**

In addition to its complete line of Industrial Lifts, Elevators and Automotive Hoists, Globe builds a wide range of power-operated Hydraulic Airplane Lifts—both stationary and portable. These are now being used extensively in leading aircraft plants and maintenance



hangars for lifting, free-wheeling or flight-positioning planes to help speed assembly, servicing,

ing and repair operations. For illustrated data or engineering consultation service, write or wire Globe Hoist Co., E. Mermaid Lane at Queen St., Phila., 18, Pa.

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COTTON DUCK**

lb. of controlled material from overruns of orders for similar material, and to combine the production of small orders calling for delivery in separate months. Any items on an authorized CMP order requiring less than 200 lb. of a brass mill product may be produced ahead of its schedule if it is not in finished mill stock and if such production will not materially delay previously accepted authorized controlled material orders. (Direction 32, CMP Regulation 1.)

Container Freight Rates

To meet the container shortage in the southeastern states, freight rates have been established for the first time for shipments of used fruit and vegetable containers from designated areas in the North to growers in the Southeast. They are 23.5% of Class I bases. This action was the result of consultations of railroad representatives with the War Food Administration and the In-

terstate Commerce Commission; similar action may soon relieve Pacific Coast southwestern area.

Scales and Balances

By requiring the reduction of steel in manufacturing large-capacity scales, likely for industrial purposes—as railway scales, motor truck, portable beam and rolling mill, and various types of scales—WPA expects to effect a saving of several thousand tons of steel annually by greatly reducing the number of models and sizes of scales permitted, the same will increase the industry's productive capacity. (Order L-190.)

Stoves

An automatic pricing formula, which manufacturers may determine their ceilings on new models of domestic co-



Aldrich Pump Co.
Allentown, Pa.

American Fireworks Co. of Mass.
Canton, Mass.

American Radiator & Standard Sanitary Corp.
Louisville, Ky.

Art Metal Construction Co.
Jamestown, N. Y.

Askania Regulator Co.
Chicago, Ill.

S. Blickman, Inc.

Weehawken, N. J.

The Central Tool Co.
Auburn, R. I.

Cleveland Worm & Gear Co.
and Farval Corp.
Cleveland, Ohio.

Comas Cigarette Machine Co.
Salem, Va.

Consolidated Engineering Co.
Patuxent River, Md.

Corning Glass Works

Wellsboro, Pa.

Crucible Steel Co. of America
Syracuse, N. Y.

Davenport-Besler Corp.

Davenport, Iowa

Davidson Mfg. Corp.

Chicago, Ill.

Duncan Electric Mfg. Co.
(Two plants)

T. J. Edwards, Inc.

Boston, Mass.

E I du Pont de Nemours & Co.

Arlington, N. J.

Elgin National Watch Co.

Elgin, Ill.

Federal-Mogul Corp.
Detroit, Mich.

Fitzgibbons Boiler Co., Inc.
Oswego, N. Y.

Gardner Machine Co.

Beloit, Wis.

Henschel Corp.

Amesbury, Mass.

Hercules Powder Co., Inc.

Mansfield, Mass.

Hess & Barker

Philadelphia, Pa.

International Harvester Co.

Indianapolis, Ind.

Kearns & Mattison Co.

(Four plants)

Kiekhaefer Corp.

Cedarburg, Wis.

Lakeshore-Marty Co.

Plymouth, Wis.

Liberty Aircraft Products

Corp.

Farmingdale, N. Y.

Liberty Mirror Works

Brackenridge, Pa.

Lion Mfg. Corp.

Chicago, Ill.

Los Angeles Die Casting Co.

Los Angeles, Calif.

Lyon, Inc.

Detroit, Mich.

Master Finishers, Inc.

Chicago, Ill.

McEvoy Co.

Houston, Tex.

Mt. Vernon Woodberry Mills,

Inc.

Columbia, S. C.

Murphy Diesel Co.

Milwaukee, Wis.

National Engineering Co.
Chicago, Ill.

National Fireworks, Inc.
Bristol, Va.

Nelson Specialty Welding

Equipment Corp.

San Leandro, Calif.

New York Rubber Co.

Beacon, N. Y.

Parker Pen Co.

Janesville, Wis.

Ransome Machinery Co.

Dunellen, N. J.

RCA Victor Division

Indianapolis, Ind.

F. F. Rosback

Benton Harbor, Mich.

L. C. Smith & Corona Typewriter, Inc.

Groton, N. Y.

W. T. Smith Lumber Co.

Chapman, Ala.

Tennessee Eastman Corp.

Kingsport, Tenn.

Texas Prefabricated House Tent Co.

Dallas, Tex.

Ben Venue Laboratories, Inc.

Bedford, Ohio

Watson Elevator Co., Inc.

Englewood, N. J.

Westcott Valve Co.

East St. Louis, Ill.

The Whitehead & Hoag Co.

Newark, N. J.

Ichabod T. Williams & Son

Carteret, N. J.

The Yale & Towne Mfg. Co.

Philadelphia, Pa.

(Names of winners of the Army-Navy and Maritime Commission awards for excellence production announced prior to this new list will be found in previous issues of Business Week.)

and heating stoves instead of applying for them to OPA, is set forth in a new simplifying regulation which will enable manufacturers to estimate their ceilings in advance. Prices are in line with those for comparable existing models, with a percentage markup over cost based on ceiling prices to the class of purchaser buying from a manufacturer in greatest volume. For stoves for domestic use in which prices were quoted from Jan. 16 to June 1, 1941, ceilings to each class are 12% of the lowest price quoted to that class on a particular stove; discounts, freight, and other allowances in that period continue to apply. (Regulation 64.)

Other Priority Actions

WPB's simplification Order L-316 cuts the number of sizes of vitrified clay sewer pipe and fittings from 21 to 13. . . . "Permanent" types of antifreeze are now available for use in passenger automobiles through WPB Order L-51, as amended. . . . Amendment 4, Rubber Order R-1, eases restrictions on the use of rubber cement that does not contain crude rubber or natural latex. . . . Office of Defense Transportation restrictions on all wholesale and retail motor truck deliveries are extended, effective Oct. 11. . . . Restrictions on pressure canners have been eased to permit purchase for home use. . . . Maleic anhydride and maleic acid, used in making synthetic resins, leather treating agents, and rubber, will be under allocation control after Nov. 1 (WPB Order M-214, as amended). . . . Ipecac and its derivative emetine, used in medicine, have been placed under control by Allocation Order M-350. . . . Newspaper publishers are required to cut their fourth-quarter consumption of newsprint an additional 5% by order L-40, as amended. . . . Allocation Order M-348 places polyethylene, a plastic used in manufacturing wire and cable, under regulation. . . . Controls are established over two important solvents, acetone and diacetone, by Allocation Order M-352.

Other Price Actions

Ceiling prices for kraut will be based on average prices that packers pay for cabbage up to a maximum of \$22 per ton. . . . Brokers in variety meats and edible byproducts may charge 12½¢ a cwt. for their services, and sellers who pack these commodities in returnable shipping containers may add 25¢ per cwt. to their maximum prices (Amendment 2, Regulation 398). . . . Chemical cordwood, used in making charcoal, acetic acid, etc., has been given specific ceilings in certain states to correct prices so low as to hamper production (Amendment 9, Regulation 348). . . . Retailers of bakery products who wrap the products themselves may add the cost of packaging and wrapping materials to their maximum prices (Amendment 6, Regulation 319). . . . Maximum prices for about 2,500,000 lb. of wool bought from the government of Iceland by the U.S. Commercial Co. have been established by OPA Revised Price Schedule 58, as amended. . . . Retail ceilings at October, 1941, levels have been set for six major brands of tampons—sanitary hygienic product—by Amendment 5, Regulation 140. . . . Used tractor and implement tires have been removed from rationing by Amendment 51, Ration Order 1A, to encourage full use of farm supplies in food production.

ARE THE WINDOWS IN YOUR PLANT *Wearing Out?*



**THIS FREE INSULUX
BOOK CAN SAVE YOU
THOUSANDS OF DOLLARS!**

◀ **LOOK** at the wealth of information in the book. Fully illustrated, the 24 pages show actual INSULUX Glass Block installations in all types of industrial buildings. Included are buildings like yours, with typical detail drawings, photographs, specifications, etc.

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Gentlemen: Please send, without obligation, your book on Methods of
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MARKETING

Housewife's Say

OCR's doorbell pushers will collect data which agency hopes to use in securing allocations for consumer goods.

The door-to-door survey by which WPB's Office of Civilian Requirements expects to find the spots where war has hit the civilian economy hardest (BW—Sep. 25 '43, p7) will be nothing if not thorough. Interviewers will guide householders through a questionnaire which is 21 pages long (in its unexpurgated form) and which literally gets down to brass tacks.

• **Down to the Last Details**—Persons interviewed will be cross-examined on a long list of specific items (box below), asked whether they have bought any of them recently. If the answer is "yes," they will be checked on whether quality and price were satisfactory. If the answer is "no," they will be asked whether it was because (1) they didn't need the item, (2) they couldn't find it, or (3) quality was too poor or price was too high.

On major household appliances—irons, washing machines, refrigerators, vacuum cleaners—the probe will go even

deeper. Families will be asked how old these appliances are, what condition they are in, when they were last repaired. • **Few Major Changes**—The questionnaire may undergo some revision as the result of protesting which is now going on, but the final outline should follow this general pattern.

Present expectation is that the survey will be launched sometime in November. Through accepted sampling techniques, it will be nation-wide and should reflect the experience of all income, age, and occupational groups. OCR is hoping to use a sample as large as 10,000 but may have to pare its ambitions somewhat for budgetary reasons. Actual pavement pounding will be done by the survey staff of the Office of War Information. • **Competitive Weapon**—Significance of the survey to business stems from the fact that it marks the first comprehensive attempt to document the severity of civilian shortages at the lowest (consumer) level. OCR hopes that it will prove a potent weapon when the agency pleads the civilian's case vis-a-vis the other claimant agencies—Army, Navy, Lend-Lease, etc.

If the survey gets under way on schedule, OCR expects to have results tabulated in time to use them in drawing up its requirements for the second quarter of 1944. They might help to tip the balance in deciding whether major elec-

trical appliances—washing machines, refrigerators, etc.—will be programmed then or later (BW—Sep. 11 '43, p7).

• **Experts Help with Job**—The survey will gain prestige from the fact that a group of half-a-dozen well-known market research experts, who have been acting as advisers to OCR's Civilian Relations Division, had a hand in framing it. The group includes A. M. Crossley, George Gallup, Elmo Roper, S. S. Wilks, Paul Lazarsfeld, and T. H. Brown.

Ration Book Poll

Registrations exceed the Census Bureau's figures, but they're reliable barometers of population shifts.

In normal times, the Census Bureau keeps abreast of population shifts between decennial censuses by checking up on such statistics as school enrollments, light meters, telephone installations. Wartime dislocations have soured these traditional (and never too accurate) indexes to population change; a telephone count doesn't show much about a city that ran out of equipment for new installations six months ago.

• **New Yardstick**—If the war has washed up the old indexes, it has provided a new set—ration book registrations. Nobody considers these an unassailable measure of population distribution, but census experts rate them next to the door-to-door canvass for accuracy.

For two reasons, the ten-year census usually results in an undercount: (1) the difficulty that even the most assiduous census taker has in nailing down the highly mobile population of young, single men, and (2) the tendency of many families to forget the youngest members; most people just don't report babies until they are old enough to walk. Sample checkbacks indicate that this undercount does not exceed 0.5%.

• **Discrepancy Reversed**—On ration book registration, as might be expected, the direction of the error is reversed—the tendency is toward an over-, rather than an undercount. The Census Bureau's estimate of total U. S. civilian population on Mar. 1, 1943, was 128,231,363 (BW—Aug. 7 '43, p42). This is derived by correcting the 1940 census for births, deaths, immigration, etc., and deducting the number of men in the armed forces. On Apr. 1, there were 130,248,046 No. 2 ration books outstanding. Since the census figure includes about 1,000,000 persons living in institutions and not eligible for ration books, there is a total discrepancy of over 3,000,000.

About 1,000,000 of this is accounted for by ration books held by members of the armed forces. Another 1,000,000

The Things OCR Will Ask About

The list of items about which OCR will question housewives reads like a roll call of shortages:

Household Utensils—Pot scourers, enamelware, pots and pans, canners, pressure cookers, pails, buckets, wash tubs, garbage cans, wash boilers, washboards, cutlery, can openers, carpet sweepers, insect sprayers, lunch boxes, dinner pails, thermos bottles, scissors, alarm clocks, brooms, brushes, mops, sheets, towels, electric bulbs.

Clothing—Work jackets, work shirts, work gloves, overalls, overall suits, work pants, dungarees, men's winter underwear, men's shirts and shorts, two-way-stretch girdles, elastic, dress fabrics, cotton goods, women's hosiery, work shoes, zippers.

Children's Clothing and Furniture—Summer playsuits, diapers, baby pants, children's shoes, girls' school dresses, winter legging suits, boys' overalls, children's furniture, baby carriages and go-carts.

Personal Necessities—Razor blades, bobby pins, hairpins, cleaning tissues, shoe polish, safety pins, soap, straight pins.

Furniture and Major Household

Equipment—Floor coverings, kitchen furniture, bedroom furniture, screens, studio couches, electric fans, appliance cords, luggage.

Hardware—Hand tools, garden tools, tool handles, radio tubes, batteries, auto repair parts, tires, tire pumps, bicycles, used cars.

Major Appliances—Radios, washing machines, electric irons, flatirons, mechanical refrigerators, iceboxes, vacuum cleaners, cooking stoves, heating stoves, furnaces or boilers, water heaters, automobiles.

Farm Supplies—Ammunition, milk cans, milk pails, poultry fencing, stockmen's knives.

In addition to ferreting out the state of civilian supply with respect to various necessities, OCR wants to know how satisfactory consumers are finding these services: banking hours; doctors', dentists', and food stores' hours; other stores' hours; shoe repair; watch and clock repair; plumbing repair; laundry service; nursery schools; restaurants and hotels; bus service; train service.

MILLER 50 and 100 Foot Candlers ARE BACK!

... a real continuous fluorescent lighting system now available to war industry!



WAR INDUSTRY INSISTED they needed the vital benefits of MILLER 50 FOOT CANDLER and 100 FOOT CANDLER for better, faster, safer production. WPB agreed, but in the same breath asked us to help conserve war-precious metal. The problem—how could we serve them both?

MILLER ENGINEERING LICKED THE EMERGENCY Yes, the same men who pioneered continuous-row fluorescent went back to their boards . . . surveyed the situation . . . and actually designed an improved 50 and 100 FOOT CANDLER.

They eliminated the use of considerable metal—yet produced a sturdy, substantial lighting fixture. They went over to building's proven material, Masonite—for lightweight but extremely durable re-

flectors. They redesigned the reflectors—yet did not sacrifice lighting efficiency. They simplified construction features—so starters could be conveniently located between lamps—so ballasts could be exposed for cooler operation.

AND—in addition to providing it in single unit 4-foot and 5-foot lengths—it is available in double lengths, 8-foot and 10-foot. It is the strength and rigidity of these double lengths that again make possible real continuous-row fluorescent lighting with its savings in installation cost.

These are the highlights. There's a lot more to the story—important to you right now. Better write for full information.

QUICK FACTS FOR FAST READERS

IMPROVED DESIGN of the MILLER continuous fluorescent lighting system, introduced in 1939.

RUGGED LIGHTWEIGHT EQUIPMENT—with sturdy, Masonite reflectors—and no reduction in lighting efficiency.

EXPOSED BALLASTS—for cooler operation—with starters conveniently located between lamps.

HIGHER ILLUMINATION—30, 40, 50 or more foot candles. Units available in 4-foot and 8-foot lengths for 40-watt lamps—in 5-foot and 10-foot lengths for 100-watt lamps.

INSTALLATION SAVINGS from 30% to 50% possible through the use of rigid double length units in a continuous-row lighting system.

SIMPLIFIED MAINTENANCE—reflectors are so easy to handle and remove that women workers can take care of them.

SAFETY "PLUS"—the MILLER patented Safety Lamp Lock is available as an integral part of each socket, minimizing the danger of falling lamps.

THE MILLER COMPANY • MERIDEN, CONNECTICUT

ILLUMINATING DIVISION
Fluorescent, Incandescent
Mercury Lighting Equipment

OIL GOODS DIVISION
Domestic Oil Burners
and Liquid Fuel Devices

ROLLING MILL DIVISION
Phosphor Bronze and Brass
in Sheets, Strips and Rolls

WAR CONTRACTS DIVISION
War Material



probably is attributable to the census' tendency toward an undercount. The remaining 1,000,000 results from issuance of duplicate ration books, and such factors as the lag between the time a person dies and the time his ration book is turned in, and the fact that families of men inducted into the armed forces neglect to turn in their books as the law requires.

• **Half Returned Voluntarily**—The Office of Price Administration is convinced that the issuance of duplicate ration books is more often accidental than de-

liberate. A sample check of 2,827,676 No. 2 ration books turned up 4,571 duplicates—or 0.16%. More than 50% of these duplicate books already have been returned voluntarily with no effort on the part of local boards.

The Census Bureau determines the state and county population estimates by breaking down its over-all civilian population estimate on the basis of ration book registrations. The latter are first corrected for such obvious factors as inmates of institutions. The bureau believes that errors in the ra-

tioning registration—issuance of duplicate books and so forth—are spread pretty evenly over the country, so the breakdown for any one area shouldn't be too badly out of the way and the relationship between areas should be statistically valid.

• **Shifts Intensified**—The figures based on No. 2 ration book offer essentially the same picture as those based on registrations for No. 1 ration books nearly a year earlier (BW—Dec. 26, p42). In general, the shifts indicated then have been intensified, although



YARDSTICK OF CRITICISM

"It isn't the gadget. It's what you can do with it." That's the way Columbia Broadcasting System's vice-president, Dr. Frank R. Stanton (above left), introduces the "program analyzer" which he and Dr. Paul F. Lazarsfeld of Columbia University have been perfecting since 1937. But some 400 people whose reactions to a given radio program have been recorded regard the device as a thing of wonder when, at the close of the pro-

gram, they behold not only a record of their second by second likes, dislikes, and indifferences, but also the totaled and average reaction of the group to each part of the program.

CBS research men Tore Hallquist and Oscar Katz (below left) test volunteer guinea pigs in groups of ten. Listeners (above right) hold a pair of push buttons in their hands and when they like the program, they press the green button held in the right hand; when they dislike it, the red button in the left hand; and when they are indifferent, push no button. Likes are charted on the graph (below right) by ten capillary pens filled with green ink, dislikes by ten with red ink. Transferred to the profile of listener reactions (above left), the vertical lines mark changes in continuity, thus clearly defining reactions to parts of a program—narrator, dialogue, music, and closing announcement. The horizontal lines mark the degree of approval or disapproval above and below the equator of indifference.

One big advantage the analyzer has over other methods of research is that it affords not only a group reaction, but an individual's opinion of a particular feature. The study director can then go back to the listener and ask





MAINTAINING THE "RIGHT-OF-WAY" TO TOKYO

THE Alcan Highway, America's "right-of-way" to Alaska, the Aleutians and, eventually, to Tokyo, must be maintained at all cost.

There must be no interruption to the constant flow of armament, materiel and supplies to our fighting men.

Hundreds of Marmon-Herrington All-Wheel-Drive converted Ford trucks played a prominent part in the building of this famous highway. Now they are doing the equally important job of keeping the road open through freeze and thaw, ice and snow.

The same qualities of performance, gained through the *application of power and traction through all wheels*, which gave these vehicles their pre-



war advantages in the oil fields, in logging camps and construction enterprises, have helped make military history on many far-flung fronts.

These trucks caused consternation to the enemy by their ability to keep

going through desert sands in Africa, when German trucks "gave up" in despair. Others surprised the Japs, in the Solomons, by going places the enemy considered "impossible." Still others are doing the extra-difficult transportation jobs of United Nations armies, throughout the world.

Marmon-Herrington is proud that such a comparatively small company could do so much for the cause of Liberty and Justice. *We are doing more*, which will be worth the telling, when military expediency permits.

Having "nothing to sell" to the general public now, we are looking forward to the day when their military records will recommend Marmon-Herringtons for the services of Peace.

★ *Buy an Extra Bond — Back the Attack!*

MARMON-HERRINGTON

INDIANAPOLIS 7, INDIANA

THE BLUE LOOKS FORWARD TO POST WAR...

THREE are no two ways about it—after global war come global peace problems...

A period in which Government and Business and Industry will have to plan and operate on a world-wide basis.

That's why we at The Blue Network are projecting our thinking and a portion of our programming into the "world-after-the-war."

We believe The BLUE is the only network actually doing something about this viewpoint. For one thing, we have retained a number of experts who, because of their background and experience, are qualified to report on the various facets of the world picture today which will merge into tomorrow's reconstruction era. To name a few:

JAMES G. McDONALD, Chairman of the President's Honorary Committee on Political Refugees and former Chairman of The Foreign Policy Association, is ideally suited for his post as The BLUE's Advisor on Post-War Affairs.

EDWARD TOMLINSON, authority on the Americas, noted author and commentator, has been appointed The Blue Network's Advisor on Inter-American Affairs.

HENRY J. TAYLOR, businessman, economist and foreign correspondent, as well as author and commentator, is currently reporting and interpreting the news on The BLUE and relating it to the future in terms of cause and effect.

WILLIAM HILLMAN, veteran newsman and radio analyst, is our Washington correspondent; and is covering the news of post-war developments and planning as seen from the vantage point of the "Nation's Capital."

These are but a few of the commentators on our current schedule. We suggest that they will prove to be worth-while listening for you.

The Blue Network

A Radio Corporation of America Service
NEW YORK • CHICAGO • DETROIT
HOLLYWOOD • SAN FRANCISCO

there are a few instances of complete reversals of direction. Of the nine metropolitan areas which showed gains of over 20% between the 1940 census and the May, 1942, registration for book No. 1, seven have increased those gains. Of the nine areas which showed losses of more than 6% to the first registration, six have lost still further.

Because No. 3 ration book was sent out through the mails and registration isn't broken down by counties, the Census Bureau hasn't much hope of using it as a basis for population estimates. But on book No. 4, the bureau expects to go to town. Present plans are to get population figures broken down for age and sex by taking a sample of registration figures.

Potato Poser

Record crop threatens to swamp storage facilities; drive to get spuds into consumers' basements is launched.

For some time now food retailers, weary of the headaches involved in merchandising scarce and rationed goods, would have welcomed any kind of a surplus. Chains, particularly, have been aching to use the machinery they so energetically developed a few years ago to cope with surplus crops in the prewar agricultural cycle.

• **Record Production**—This month, with the largest potato crop in history slated to run about 460,000,000 bu., compared to 371,150,000 bu. in 1942, and a 1931-41 average of 363,332,000, the nation's food distributors have something worth moving.

Needled by War Food Administration's Marvin Jones, who has not forgotten that farmers were urged to increase production of potatoes this year, retailers are urging consumers to store potatoes in their own basements and garages. The public has Administrator Jones' word that this will not constitute hoarding; rather it will be hailed as patriotic conservation.

• **Buy-Sell Helps**—Normally only about half of the late potato crop is put in storage at harvest time. Farmers with little storage space and less cash send the rest to market immediately. This year, WFA has placed potatoes under the buy-sell program, thus eliminating the economic necessity for immediate sale (BW-Sep. 4 '43, p24), but only a dent has been made in the storage problem.

North Dakota, for one, has 150 new warehouses, most of them on railroads for easy shipping, but farmers in most of the other potato-producing states have to rely on cellars. Even in Maine, where bank storage buildings have been

erected, a group of farmers in one county claims that 15,000,000 bu. of the record 62,000,000-bu. crop is likely to go begging for customers (even though the government support price protects their pocketbooks).

• **Victory Food**—WFA estimates that in the country as a whole there will be about 35,000,000 bu. over and above available storage space. So while farmers are hastening the crop to market, the National Assn. of Food Chains, the National Voluntary Groups Institute, the Great Atlantic & Pacific Tea Co.—in short, the nation's grocery men—are energetically promoting potatoes now and intend to renew their efforts from Oct. 21 to Nov. 6—the period during which the Irish potato is officially designated as the Victory Food selection.

Retailers and WFA alike are hammering away at educating consumers in the art of storing potatoes. Best temperature for storage is 36 to 40 degrees, although tubers will not freeze unless the thermometer falls below 28. Higher



TEA COMES IN

C. F. Hutchinson, federal examiner, holds the makings of a successful tea party and evidence of improved shipping conditions. He is sampling one of the largest tea shipments ever docked at an American port—35,000 chests, each containing 100 lb. Upon its New York arrival, the War Food Administration boosted the annual consumption rate to 90,000,000 lb., only 10% below normal. This gives rise to trade hopes that by Jan. 1 the Commodity Credit Corp. will relax the regulations under which it is the sole agency for buying, storing, grading, and allocating all tea for the U. S.



A U. S. Navy Photograph of fighter planes on a carrier deck

Behind Esso's 100-Octane Gasoline
**March Hundreds of
Underwood Typewriters...**

Enlist your dollars . . . Buy War Bonds . . . To shorten the duration

The fast-flying fuel that powers the planes of many of America's intrepid airmen gets its paper work "start" on time-saving Underwood Typewriters and Office Machines.

Throughout the Esso organization they have played a prominent part in the quick handling of office detail required by the company's war effort.

From the "paper work" in the famous Esso Research Laboratories where this Victory fuel was developed to the final orders to Esso tanker captains for delivery "somewhere in the war zones," the unfailing efficiency of Underwood's durable equipment speeds the vital war work of the Standard Oil Co. of New Jersey and its associate companies.

Reports Esso Marketers: "In the last few years many of our Underwoods have had to do double and even triple duty. Our UEF machines have stood up remarkably well, regardless of their age!"

Underwood Elliott Fisher Company

ONE PARK AVENUE NEW YORK 16 N. Y.

In war production on U. S. Carbines, Caliber .30 M 1—Airplane Instruments—Gun Parts—Ammunition Components—Fuses—Primers—and Miscellaneous Items.



TO OUR MILLIONS OF VALUED CUSTOMERS:

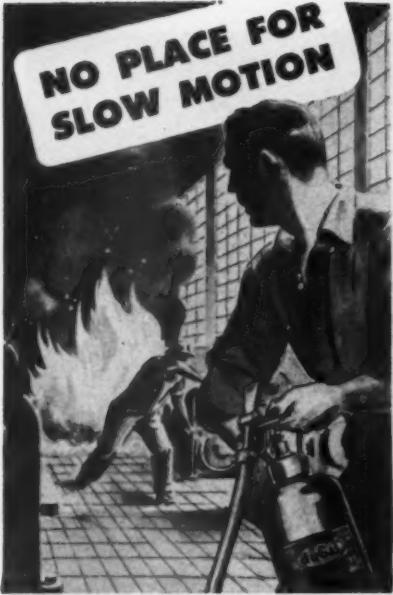
Accounting and Adding Machines are available under WPB regulations

Typewriters are available for rental to anyone. Maintenance Service, from coast to coast in 366 cities, is in complete and efficient operation for all makes of typewriters, UEF accounting and adding machines.

Ribbons, Carbon Rolls and Carbon Paper—Complete lines are available for all makes of machines.

Copyright 1943, Underwood Elliott Fisher Company





In a spot like this, there is no substitute for speedy, decisive action. And that's just what vital war plants get when duGas fire-fighting equipment is within easy reach.

Fire "takes the count" fast when duGas goes into action. Here's why: immediately on hitting fire, duGas dry chemical releases huge volumes of fire-smothering gases that quickly subdue fierce flames.

And no matter how hot or how cold the climate, duGas dry chemical is always ready for instant use. Important, too... duGas is non-toxic, hurts nothing but fire.

Now, of course, all duGas dry chemical fire-fighting equipment is going to Uncle Sam and his war industries. After the Axis is whipped, there will be plenty of duGas fire extinguishing products available to all.

PRIORITY INFORMATION GLADLY FURNISHED



FREE—New chart showing characteristics of all types of approved hand fire extinguishers. Write for copy today.

DUGAS ENGINEERING CORP.
OWNED AND OPERATED BY
ANSUL CHEMICAL COMPANY MARINETTE WISCONSIN

temperatures accelerate the respiration rate, thus hasten sprouting and increase shrinkage, housewives are warned.

• **Responsive Public**—Urban consumers, many of whom might once have disliked cluttering up their garages and back porches with 50-lb. and 100-lb. bags of tubers, remember the potato famine of last spring and reconsider the A&P's special offer of 50 lb. for \$1.49.

Furthermore consumers know potatoes won't be any cheaper as the winter wears on. WFA hasn't let prices fall as low as they might have with this kind of a surplus in former years, but the Dept. of Agriculture price of \$1.34 per bu. (60 lb.) is not as far above parity (\$1.19) as most of the rest of the food supply. And OPA prices will advance automatically by 10¢ per cwt. at the producer level on Nov. 1 and again Dec. 1, with other 5¢ rises on Jan. 1 and Feb. 1.

Tin Can Offensive

Producers plan big campaign to recapture markets lost to competitive materials. Steel men have most at stake.

At least one industry is not waiting to see how much of its traditional market is captured by wartime substitutes.

The Can Manufacturers Institute has outlined an ambitious program which the trade estimates will run into millions of dollars to plug tin cans and see to it that glass, cellophane, plastic and other wartime packaging materials don't run off with the postwar market.

First major move in the program will be an advertising campaign, which Batten & Bowles will launch the first of the

Which "ad" do you vote for?

(A chance to match wits with the experts)

A

Questions and Answers about Vitamins

What are vitamins? They are essential food elements. They are like life insurance! They help keep the body in good working order, helping to keep us more resistant to colds and other infections.

Don't I get them from food? Yes, but even before food shortages our Government said that out of 100 of us only 25 are getting enough vitamins that way.

What are Vitamin C tablets? Little tablets of concentrated citrus juice chewed or swallowed whole. They have all the vitamins. Government recommends 1000 mg. daily, however, if you're not eating enough citrus fruits.

How about B Complex? Vitamins are all those essential B Complex vitamins.

Are they safe for children? Yes, indeed—but they must be safe. They help keep a child safe from the results of a vitamin-deficient diet.

Where can I buy Vitamins? From your druggist, the general vitamin dealer.

How about B Complex? Vitamins are all those essential B Complex vitamins.

Are they safe for children? Yes, indeed—but they must be safe. They help keep a child safe from the results of a vitamin-deficient diet.

See what 3 Vitamins a day supply

A	B	C
100 mg. Vitamins	100 mg. Vitamins	100 mg. Vitamins
100 mg. Vitamins	100 mg. Vitamins	100 mg. Vitamins

How many times have you said, "If I could only talk to those advertising people, I'd tell them how to make better ads?" Here's your chance. Tell us which ad you like. Use the coupon—or write a letter. Ad "A" gives more information about vitamins—100 items on importance of taking Vitamins today: to get enough vitamins and minerals in spite of food shortages. Try your skill! Everyone who replies will get a generous sample of Vitamins!

B

How many times have you said, "If I could only talk to those advertising people, I'd tell them how to make better ads?" Here's your chance. Tell us which ad you like. Use the coupon—or write a letter. Ad "A" gives more information about vitamins—100 items on importance of taking Vitamins today: to get enough vitamins and minerals in spite of food shortages. Try your skill! Everyone who replies will get a generous sample of Vitamins!

How many times have you said, "If I could only talk to those advertising people, I'd tell them how to make better ads?" Here's your chance. Tell us which ad you like. Use the coupon—or write a letter. Ad "A" gives more information about vitamins—100 items on importance of taking Vitamins today: to get enough vitamins and minerals in spite of food shortages. Try your skill! Everyone who replies will get a generous sample of Vitamins!

Lower Right-hand Column: Dept. T-2, Cambridge, Mass.
Greaschene: In my opinion Ad **A** is the better. Please send my sample of Vitamins to:

Name: _____
Street: _____
City: _____ State: _____

TAKE YOUR CHOICE

Like manufacturers who poll customers on their postwar expectations (BW—Sep. 11 '43, p17), a vitamin maker, Vimms, is asking magazine readers how they like its advertising. The single insertion features two dif-

ferent copy approaches (above), asking readers to vote their preferences on the coupon. The unusual ad, which was placed by Batten, Barton, Durstine & Osborn, offers sample Vimms in return for each vote and thereby accomplishes still another objective of sales promotion—sampling.

A two-year consumer analysis made by Miller McClintock for the institute indicated to the industry that there was a lot the public did not know about the virtues of tin.

Tin can interests claim they don't consider glass much of a threat, since, in the last analysis, cost is the determining factor.

Where Glass Excels—In food packaging, for example, glass still costs nearly twice as much per container. Can manufacturers realize, however, that they may not be able to compete with glass for the packaging of deluxe fruits and other items in which visualization is an important factor. But, as one observer put it, the whole crop isn't pretty enough to go under glass.

The canning industry is even less worried about the threat of paper-wrapped frozen and dehydrated foods' invading their market. Frozen foods, they contend, compete with fresh fruits and vegetables, not canned—costwise, at least. As for dehydrated foods, even the food industry does not expect many of them, with the possible exception of dehydrated soups, to sell in quantity except to the lowest income groups, come the return of plenty.

A Further Advantage—Tin cans have always had the price advantage in the packaging field. And now with electro-tinning equipment going full tilt for war, cost will be cut even further. Under the old hot dip method, which provided an uneven coating, more tin was required for a safe average and 1.5 tin—or 1½ lb. of tin to 100 lb. of steel—was used. Now the electrolytic process makes possible coatings of .5 or less for most things. Manufacturers point to the possibility of custom-made tin cans for every type of product. For example, the industry expects to begin using .75 cans for milk this month, while baby food and acid fruits probably always will be kept in 1.5 cans. Vegetables will use .5.

As the tin-steel ratio in tin cans implies, the nation's steel companies have by far the greatest stake in this postwar market and are contributing to the forthcoming promotion accordingly. In prewar years, steel plate for cans was, in fact, the steel companies No. 2 source of revenue, second only to automobiles. On the other hand, even the old-line can companies have so diversified their operations that they are now general container manufacturers.

MILK TRUST FINES LEVIED

In 1941, when Asst. Attorney General Thurman Arnold began his crusade against food processors and distributors charged with gypping farmers on one hand and consumers on the other, he put the West Coast evaporated milk industry on his list. The trade then thought a marketing agreement with



... to assure safe, reliable performance

In advanced engineering development — such as this new sensational aircraft design — Ampco Metal receives generous recognition, indicating the basic importance of this alloy of the aluminum bronze class. Modern design calls for modern alloys — and Ampco bronzes have earned the regard of design engineers in the aviation field because of exceptional performance.

Throughout all industry, parts of Ampco Metal are doing val-

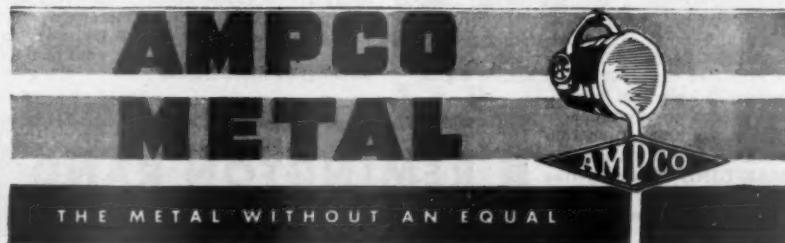
iant service. In aircraft, ordnance, machine tools, marine service, Ampco Metal meets grueling service conditions — proves its high strength, hardness, long-wearing characteristics, and general all-around versatility.

Investigate Ampco Metal for use in your equipment — and enjoy the satisfaction and prestige that comes through the "discovery" of a bronze that really solves your metal problems. Ask for free bulletin, "File 41 — Engineering Data Sheets."

AMPCO METAL, INC.

DEPARTMENT BW-10

MILWAUKEE 4, WISCONSIN



THE METAL WITHOUT AN EQUAL

the Dept. of Agriculture might save it from the ax of the Dept. of Justice.

But an antitrust indictment was returned in San Francisco (BW-Jun.14 '41,p39) against not only local and national manufacturers of evaporated milk, dairy farmer organizations, grocery trade groups, and the Evaporated Milk Assn., but also the administrators themselves—Dan F. Stilling, administrator of the D. of A. agreement under the Agricultural Adjustment Administration, and L. A. Humason, administrator in the San Francisco area. The indictment charged conspiracy to fix prices of evaporated milk; and it was understood that the D. of J. thought the industry had gone beyond the requirements of the marketing agreement in fixing prices.

Last week it was clear that the U. S. District Court for the Northern District of California thought so too. Pleas of nolo contendere by 22 defendants were accepted, and fines totaling \$77,500 imposed. (Stillman and Humason paid \$2,500 each.)

In defense, the manufacturers report that during the ten years of operation under the marketing agreement (including the period covered by the indictment) prices paid to farmers increased more than 40% while the spread between prices paid farmers and retail prices decreased 10%.

Irony at Work

In one breath, Washington exhorts home front to write the boys; in the next, it limits output of fountain pens.

The fountain pen industry listens with something resembling bitterness as official Washington calls correspondence the No. 1 morale builder and issues short pep talks on writing to the boys at war.

• Output Slashed—Manufacturers, who were limited until Oct. 1 to about 36% of 1941 production under WPB's order L-227, find skyrocketing demand all out of proportion to war-inflated incomes. Thousands of soldiers and sailors who probably didn't write two letters a year are now writing at least two a week, and many who never owned fountain pens need them now. For every man in the service, it is estimated, three or four civilians are writing oftener than they ever did before.

When amendments to L-227 were issued last week, it looked as though the pens might flow a little more freely with the ink of service men in the military's far-flung encampments, but the home folks would have to answer with what-

ever instruments the family secretary will yield.

The revised order considers manufacture for Army and Navy separately and reserves the right to approve all such special orders, but no over-all maximum is established. Civilian production, on the other hand, is limited to 22% of the total number of steel pen nib fountain pens turned out during 1941 (51% per quarter), and 30% of the gold nib pens produced during the same base period. Furthermore, say retailers, there is nothing to prevent a share of this quota from going to the Post Exchange.

Correspondents who turn to automatic pencils will be little better off. Civilian production is limited to 20% of 1941 output; and manufacturers have been cut to 8 lb. of low carbon steel per 1,000 pencils. With certain other exceptions, use of iron, steel, copper, copper base alloy, zinc, or crude, reclaimed, or synthetic rubber is prohibited.

• In War Production—Manufacturers actually worry less than retailers about the situation. A lot of them couldn't make any more pens if they had materials and permission because most of their plant capacity is devoted to production of shells, primers, shell fuses, signal corps telephone plugs, and dozens of other small instruments of war. Moreover, producers are doing about twice as much repair work as they used to, for which WPB allows them to turn out 120% of the total quantity of repair parts made in 1941.

WASHING MACHINES NEEDED

Washing machine manufacturers are plugging away steadily in their campaign for resumption of civilian goods production. Their latest plea is contained in a nation-wide survey by the Norge Division of Borg-Warner Corp. to document the laundry situation.

From questionnaires sent all its distributors and dealers, Norge reports 38% described their local laundry service as poor; 27% very poor; 30% fair, and 5% good. Delivery promises ranged from two weeks in 40% of the areas to a month in 7%, according to the tabulation.

Prices also came under the survey, with reported increases ranging from 10% to 50% and with about half the dealers estimating their boost at 20%. Almost 60% of the laundries covered are refusing new customers while 61% are dictating what pieces of clothing and linen the customer may send.

As the clinching nail in its platform for relaxing the ban on production, Norge took an inventory of new and used washers held by its outlets to show that home laundering holds no solution to the dilemma. The count among 495 large dealers showed only five new washers and 488 used machines in stock.

WOOD
immediate delivery

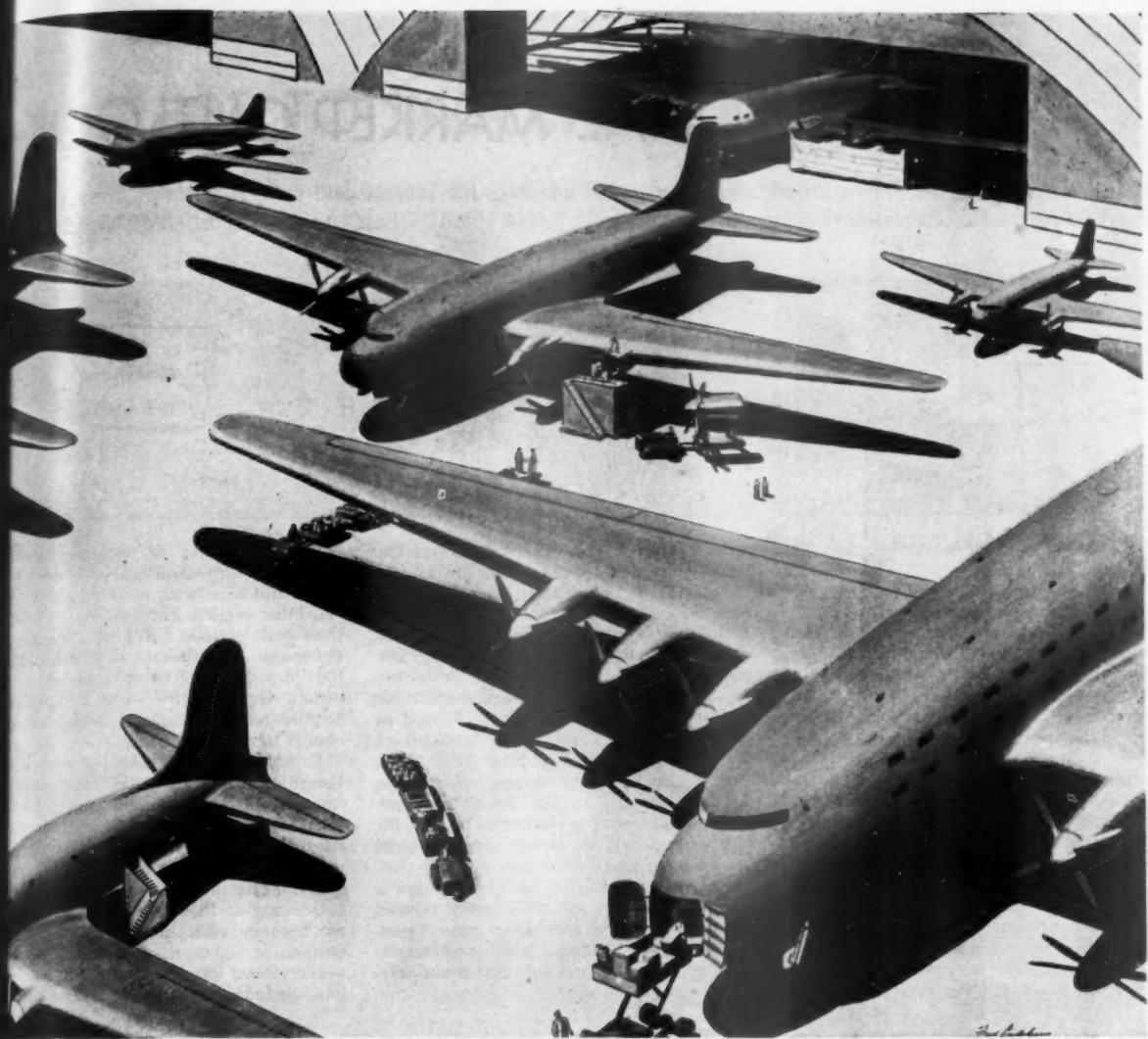
NO, not makeshifts "for the duration"...but equipment designed and sturdily built for years of service. *No priorities required.* KARDEX CABINETS provide for the use of exclusive Graph-A-Matic Visible Signal system to keep you posted, at a glance, on every operation in your organization. THE FAMOUS GUARDSMAN LINE of priority-free wood Filing Cabinets provides efficient, economical filing space for the exact

needs of every department... for every size of paper and card records.

Place your order now! Delivery is immediate! Write or phone your nearest Remington Rand Office.

REMINGTON RAND

BUFFALO 3, NEW YORK



Planes will be tailored to measure in the

Age of Flight

this war, there are scores of different types of planes, each designed for a particular kind of service. Among them are large United transport planes, flying routes in this country and overseas on strictly military missions. . . . Other United planes, the famous Mainliners, are flying over the Main Line Airway, providing the fast, dependable passenger, mail and express service so vital to our fight for Victory.

How big will tomorrow's planes be? How many people will they carry? How fast will they travel? How far will they fly?

You will answer these questions. For planes will be built to suit your needs

and serve your purposes . . . practically "tailored to measure." Along the Main Line Airway, for example, there will probably be four basic types of service for passengers, mail and express.

There will be de luxe transcontinental flights between New York and the Pacific Coast, with huge airplanes making only one or two stops en route. Another type of coast-to-coast plane will serve major intermediate cities.

A third type will supply "feeder" service from nearby territory to division points along the Main Line Airway. Other planes will be especially designed to carry only cargo.

Present United Mainliners are, in a sense, tailored to measure for they rep-

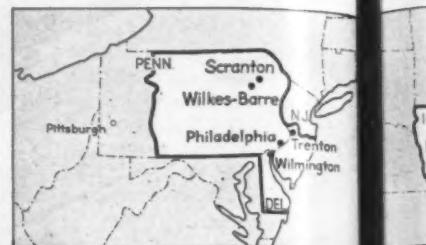
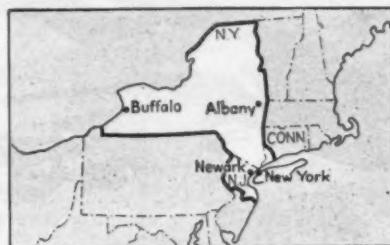
resent the product of 17 years of airline experience. Their splendid wartime performance both at home and abroad attests the policy of building the plane to do the job at hand. And the steady advances in aircraft development which are taking place today will make transport planes even more efficient in the coming Age of Flight.

★ Buy War Bonds and Stamps for Victory

**UNITED
AIR LINES**
THE MAIN LINE AIRWAY

THE REGIONAL MARKET OUTLOOK—A

A summary of industrial, agricultural, and other trends affecting the income and general business prospects in the twelve Federal Reserve districts of the nation for most recent month. (Last month's report: BW—Sep. 11'43, p. 90)



Boston—Income payments here have just about hit their peak. Indeed, income declined temporarily during the summer, when cotton, woolen, and shoe activity dropped off especially sharply due in general to the manpower shortage, but also to materials and equipment bottlenecks. For a time, this offset arms gains, which have been mounting especially of late in the shipbuilding Boston-Hingham-Quincy area—so much so that a labor shortage is expected there in six months, whereas until recently, labor surplus was a problem. In central Connecticut cities such as Hartford, a new difficulty is that migrants from other areas are leaving jobs as war work turns up back home. Rhode Island activity still is slipping; Maine claims a labor shortage.

A bumper potato harvest will keep Maine farmers prosperous in coming months. But, as usual, farm receipts in most other states will likely trail the nation's.

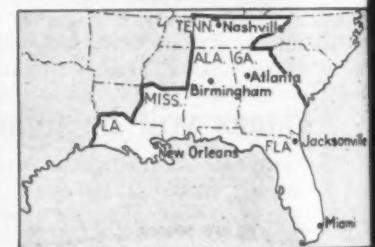
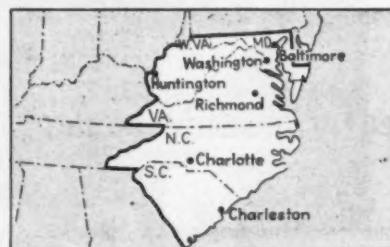
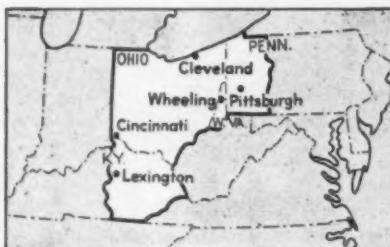
New York—Each month emphasizes that current income trends favor this district over the rest of the nation, and New York City over the rest of the region. This contrasts with the laggard tendency here earlier, especially in the metropolis. But the current upswing results from the labor surpluses being put to use, whereas operations in other regions increasingly are limited by labor shortage. Employment in Northern New Jersey and upstate New York industrial centers had been running close to the national average, so the recent improvement has not been as marked as in the "Big City" where billions in new arms contracts have been placed deliberately.

Among nonindustrial lines, agriculture is not gaining so much as in other regions, financial activity is still rising from depression levels, wholesaling is holding up despite shortages of goods, and amusement and service lines are thriving.

Philadelphia—As in most industrialized regions, factory employment is tending to flatten out here, with even the shipbuilding and other arms industries close to attaining their peak payrolls. But labor supplies are tightening, nonetheless, as is evidenced by the imposition of new controls in the region, Oct. 15 (BW—Oct. 2'43, p. 20), and by the reclassification of Allentown as a critical labor-shortage area.

Drought has hit Delaware pastures, halved Lancaster's tobacco crop, and otherwise damaged district income prospects. Receipts thus far this year have lagged in Pennsylvania and southern New Jersey but have outrun the nation's in Delaware.

Anthracite production is only running up to 5% higher than a year ago, but payrolls are up more sharply because of overtime. Output is below needs because so many workers have left the mines for munition jobs, including new ones in Scranton.



Cleveland—Available labor is still shifting from construction, machine tools, tanks, and other declining war lines as well as from clothing, ceramics, shoes, and similar lower-paid consumer industries to expanding aircraft, engine, rubber, ship, ammunition, and electronic equipment manufacture. Steel and coal activity run steady. In the net, employment and payrolls still are inching ahead, particularly in the major centers of western and northern Ohio (BW—Sep. 11'43, p. 90).

Corn, oats, and other key crops are coming along about as well as in most areas—not quite up to 1942 yield. Both livestock and crop receipts here have trailed the nation's, however, and are apt to continue subaverage into 1944. Feed shortage is a problem for farmers in eastern counties. Drought is cutting into tobacco prospects in Kentucky. Lack of farm hands is not acute except in skilled work such as dairying.

Richmond—Manpower supplies have tightened up along a broad geographical front. The War Manpower Commission has reclassified numerous district cities from Group IV (areas where labor surpluses are expected in six months) to Group III (areas where supply and demand are expected to be substantially balanced): Charleston, Clarksburg, Fairmont, Morgantown, Parkersburg, Point Pleasant, W. Va.; Asheville, Durham, Raleigh, Rocky Mount, Wilson, Winston-Salem, Greensboro, N. C.; Danville, Lynchburg, Va.; Columbia, Greenville, S. C. Actually, in the sections covered, activity in cotton, textiles, lumbering, coal, and other "regular" lines increasingly is being restricted by the manpower shortage.

Drought continues to afflict Maryland and Virginia agriculture seriously. Carolina tobacco and cotton yields will not be sharply changed from 1942, and price gains will carry receipts above year-ago levels.

Atlanta—Total job rolls are fairly stable now, after recovering from drops in construction employment during the summer. However, labor is shifting from peacetime manufacturing to ship and aircraft jobs, and some ordnance contracts have been cut back. The result is ups and downs within the district. For instance, labor supplies recently have eased in northern Alabama—Huntsville, Gadsden, Anniston, Talladega—where the arms boom first created a shortage. Another important factor is that the influx of troops here for training is about over.

Crop conditions have not changed dramatically, and in the net, production will be up to 1942 levels, with price increases since then lifting income. Acreages, of course, have been shifted, and though yields will be substantially unchanged, the cotton pick will be off, the peanut harvest up. Labor shortages for agriculture are the exception rather than the rule.

OK—A GUIDE TO INCOME TRENDS

cts in the
1943 pr
arvest season is closing with drought punishing some regions, while others look to effects of 1944 changes in farm production goals. Manpower shortages cut an ever wider swath. Districts begin weighing impact of a Hitler defeat.



Chicago—Now that Indianapolis, South Bend, and Fort Wayne have joined Detroit and other centers as critical labor shortage areas, attention focuses on the sharp expansion in employment required in Chicago and vicinity because this city still is far from its arms peak, particularly in aircraft. In nearby Gary, however, some layoffs will follow reduced tin, sheet, and armor plate work. Job rosters still are rising in Milwaukee and surrounding area; in Iowa, arms employment is gaining, especially at Des Moines, Burlington, and Newton.

Despite recent deterioration, crops this year have turned out well—in contrast to the war-induced fears of the spring. However, the region depends heavily on hog raising—especially Iowa—and production next year will have to be sharply reduced; accumulated feed stocks are being used up, and so the 1944 feed supply will be down, whatever the 1943 crop.

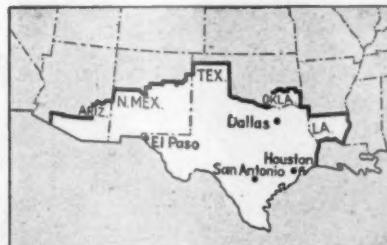
• **St. Louis**—Another in the succession of blows to this district's 1943 farm record is the decline in cotton prospects to 15% below the 1942 harvest. This will reduce receipts in southern sections, while the average 15% drop in corn, hay, and oats crops will boost expenses—and so cut net income—in the northern sections. District farm returns generally will not gain as much as the nation's, but some sections may yet prove to be exceptions.

In proportion to its prewar manufacturing, this region once got a bit more than its share of new war plants. But building of these has long since been completed, and now it is more significant that contracts for production of munitions continue to run below the district's peacetime share. In addition, contracts have been cut back at Bedford, Ind., Louisville, Ky., and Pine Bluff and El Dorado, Ark. Hence payrolls are beginning to trail the nation's.

• **Twin Cities**—The agricultural outlook has darkened a bit in the past month, but even so, autumn receipts should send this district into the winter with as good an income gain for 1943 as the nation. Altogether, crops may be off as much as 10% from 1942, but price gains will more than compensate. In any case, during the first, though less important half-year, farm income gains were above average in the Dakotas, average elsewhere.

In order, retail sales increases have been running highest in South Dakota, North Dakota, Montana plains country, and western and central Minnesota; other sections lag for the most part. Minneapolis-St. Paul and Duluth-Superior trail the rural leaders.

Next year, weather permitting, the scheduled increase in wheat plantings should more than offset the cutback in chicken and hog raising. However, eastern district dairymen are uncertain of feed supplies.



Kansas City—Drought has cut crop prospects here—especially Nebraska corn and Oklahoma cotton. The district corn harvest may be fully 25% below last year's. And though winter wheat plantings for 1944 may rise 20%, Kansas fields are short of all-important subsoil moisture. Colorado and northern New Mexico current and future yields are also affected. Altogether, though rising livestock receipts will cushion the effect on current farm income, prospects in rural areas have been impaired, both for 1943 and for 1944.

Industrial activity contrasts with the farm picture—especially in Oklahoma. Agriculture was very hard hit there and revised figures show a 12% gain in nonfarm employment over 1942. Tulsa and Oklahoma City have had parallel booms; factory jobs in each city have increased more than 10,000 a year, almost tripling 1942 totals. Elsewhere, too, war work is rising.

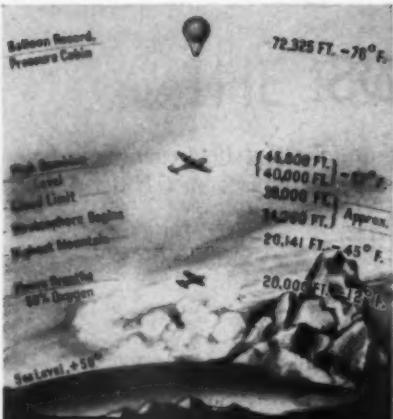
• **Dallas**—Acceleration in industrial operations is making up for some of the recent drought damage to agriculture. Dallas and Galveston now are considered labor shortage areas, along with Beaumont and environs; Fort Worth may not be long in following. More than 350,000 workers are now in war industries, and 50,000 additions may be needed over coming months. And, though civilian employment at military establishments has now reached a plateau, the rise in the total to upwards of 125,000, plus gains in arms work, have more than absorbed the decline in construction. Also, petroleum production is booming and soon may reach a peak rate 50% higher than that prevailing in the early months of 1943.

Cotton has deteriorated, and parched pastures are driving cattle to slaughter. Peanuts have suffered, and winter wheat seedings will be affected, but corn and sorghum harvests may come up to 1942's.

• **San Francisco**—Successful functioning of the new nationally known manpower controls may push this district's income even higher. A bit more labor will be recruited, and elimination of labor bottlenecks will reduce wastage and increase time worked and paid for. However, income still will tend to flatten as manpower limits are reached.

Hopes are rising here for sustaining the industrial boom after defeat of Germany. Much ship and aircraft work—district specialties—will still be needed to finish the fight with Japan, and even now signs are accumulating that a shift to Far Eastern war will accelerate numerous military activities in this vast war base.

Farm receipts may well rise over 1942's as sharply as in the nation. Harvests are smaller—requiring less labor—but prices are higher, particularly on fruits and vegetables, which bulk large in returns, particularly in California.



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LABOR

Reds Face Fight

Jurisdictional dispute at New Orleans may erupt C.I.O. convention and revive right-wing attacks on Communists.

By bringing into the open a smoldering fight between Communist and anti-Communist factions in the C.I.O., a jurisdictional dispute involving 800 Negro employees of New Orleans warehouses may prove to be the biggest issue at the industrial union group's convention that will open Nov. 1 in Philadelphia.

• Appeal Certain—Already at war on the Gulf port waterfront are two C.I.O. affiliates which have a long-standing enmity over jurisdiction and ideology, and it is considered certain that the one which is on the short end at convention time will appeal to the parent organization for help against the other.

These two unions are (1) the International Longshoremen's & Warehousemen's Union, which is oriented around the politics of its president, Harry Bridges, who is currently appealing a

deportation order that labels him Communist; and (2) the United Retail Wholesale & Department Store Employees Union, headed by Samuel Wolchok, a long-time right-wing laborer who can think of no stronger epithet than "Red."

• Simmering Three Years—These unions have tangled before in sections of industry where the "Warehouse" in the Bridges organization's title and the "Wholesale" in Wolchok's might both apply. Three years ago (BW—April '40, p37) their fight over whether Bridges would come into Wolchok's New York City seat of strength and take over wholesale warehouses threatened to make a jurisdictional battle within the C.I.O. comparable to some that rent the A.F.L. It was only John L. Lewis' personal intervention—he was anxious to keep valid his boast that industrial unionism, as contrasted with craft unionism, did not breed jurisdictional controversies—that kept the lid on. A loose accord resulted which operated to keep Bridges west of the Mississippi and Wolchok east of it, but both have been restive.

New Orleans is, by virtue of the topography of the delta, north of the Mississippi; and besides, when Lewis set



Fountainhead of trouble, Harry Bridges (left) girds for a fight at the C.I.O.'s coming Philadelphia convention. The issue is whether his International Longshoremen's & Warehousemen's Union has invaded the city on the Gulf, which was once a private preserve of Bridges' I.L.W.U.

leans. In the jurisdictional fight, he faces Samuel Wolchok (right) whose right-wing United Retail, Wholesale & Department Store Employees Union has invaded the city on the Gulf, which was once a private preserve of Bridges' I.L.W.U.

to the valley of the shadow...AND OUT AGAIN!



NEW GUINEA JUNGLE, Japs on a sneak raid stuck their nets seven times into the body of this young American from San Francisco. At the base hospital, the Army doctors pumped literally quarts of blood plasma into the boy. A week later, he was able to sit up, smoke, and eat comfortably!



AN EXPLOSION GOT YOUNG H.S., a sailor on a gallant little destroyer in our Navy. A sudden searing flash burned his face, head, arms, shoulders, and hands. The doctors gave him blood plasma. Today, H.S. is ready to go back to his ship . . . unscarred! The doctors worked that magic after the blood plasma kept him alive!



THE CORAL SEA, B.S. 18-year-old seaman second class, the bomb that tore parts of his body to shreds. He was out five days. By all the rules, he was dead. Five times in 24, B.S. got blood plasma; was operated on; was kept alive by more blood plasma. And he's back on his feet today!



K.M. WAS A 19-YEAR-OLD DARTMOUTH FRESHMAN, until he joined the Marines. In the South Pacific, a Jap bullet pierced his abdomen and lodged in his spine. A double blood-plasma transfusion was pumped into his veins; two hours later another transfusion. He lived. The bullet was removed from his spine!

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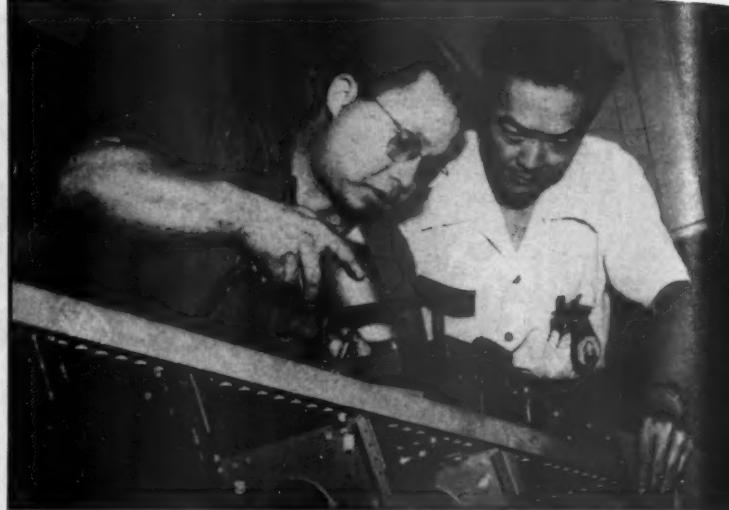
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HUDSON'S CHINESE

Among Detroit's most conscientious war workers are the 135 Chinese men and women now working in the Hudson Motor Car plant. With ordinary training, they are proving exceptionally capable in such hand work as drilling (above) and riveting (right) aircraft wing sections. As a group, their absentee rate is among the plant's lowest, and they're signed up 100% in war bond payroll deductions—a few even investing 50% of their gross incomes. Representing about one-third of Detroit's employable Chinese, all were recruited by two Canton-born leaders who sold Hudson on their fellow countrymen.



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tled the original squabble the East and West coasts were at issue and the Gulf wasn't mentioned. Consequently a fight for membership in New Orleans gives neither the I.L.W.U. nor the U.R.W. &D.S.E. a chance to yell "foul." Even if the accord covered the Gulf, it is doubtful that it would have averted the current row, for both organizations have been spoiling for a fight.

• **First in New Orleans**—There are in New Orleans about 10,000 warehouse employees, mostly Negroes, of whom about 800 are union members. This union group is employed in cotton compress, wholesale grocery, and feed warehouses, and is the work force of about 20 companies. For the last five years, these men have made up Local 207 of Bridges' union.

Local 207 was the first C.I.O. union of any type in New Orleans, and it was established when Bridges moved in to organize dock workers. The dock hands rejected Bridges' leadership, voting in a National Labor Relations Board elec-

tion to be represented by the A.F. and Bridges turned his attention to warehousemen.

• **Left Alone**—Under the leadership of William Dorsey, himself a Negro and warehouse worker, Local 207 reached present membership strength seven years ago and, apparently, stabilized at that level. A group of 800 in New Orleans was small potatoes to the burgeoning I.L.W.U., and Dorsey was pretty much alone.

A few months ago, however, its organizing string pretty well played out the Pacific Coast, the I.L.W.U. took new interest in New Orleans possibilities and sent Howard Goddard to survey what was already established. One of Goddard's first official acts was to depose Dorsey and other Local 207 officials on the charge that they misappropriated funds. Dorsey and allies countercharged that Goddard came in to "Communize" the local, basing his accusations on Dorsey's



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cargoes of men and supplies to their destinations on every front. Nothing is more important to a ship than the power to move at will, and C-E boilers are supplying that power for new ships exceeding in tonnage this country's entire pre-war merchant fleet. Add to that the service performed by thousands of C-E boiler units in industrial plants manufacturing every variety of war materiel and we think you'll agree that C-E equipment, as the source of a substantial part of the steam required for both our civilian and war needs, is serving you and all Americans.



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fusal to contribute union funds to Russian war relief and his refusal to have the local subscribe to the Daily Worker for its entire membership.

• Local in Receivership—To disarm Dorsey, who was threatening legal action, the I.L.W.U. placed the local in receivership, named Goddard administrator. Dorsey's suit for reinstatement was ruled out by the court because of the existence of the receivership. Members—the number is in dispute—resented the expulsion of Dorsey, refused to retain membership in the I.L.W.U.

Seeking advice, a committee of dissatisfied members met with Rev. Jerome Drolet, a Catholic priest and head of the New Orleans Assn. of Catholic Trade Unionists. Through Catholic laymen in Washington—one of them a leading figure in the C.I.O.—Father Drolet was put in touch with Wolchok, traveled to New York for a conference.

• Battle Stage Set—Wolchok saw the situation as a golden opportunity. Immediately he appointed Dorsey an organizer for U.R.W.&D.S.E., issued a charter to the dissident group, and began to line up forces to move into New Orleans for the inevitable clash with Bridges.

That clash has now developed. Both unions are claiming representation in the 20 companies, both are frantically picking up adherents, organizing new

sections of the city's warehouse industry, girding for what may grow into actual violence.

• Scalps at Stake—Unless Philip Murray, C.I.O. president, can patch up a compromise, Wolchok may bring Dorsey to Philadelphia in November, have him tell the convention his story of "Red unionism," and use the New Orleans incident as a tomahawk on Communist scalps in the C.I.O. If that really happens, the convention promises to be the liveliest labor gathering since the A.F.L.'s 1935 meeting, which erupted into a full-dress battle between the proponents of craft and industrial unionism. For when the C.I.O.'s left and rights really have their showdown, the same organization won't be big enough to hold both of them.

MARITIME PARLEY SNAGGED

The shipping panel of the National War Labor Board is fairly certain to get a crack at the deadlocked negotiations between the C.I.O. National Maritime Union and the American Merchant Marine Institute, Inc., covering the unlicensed personnel of 21 steamship companies. The controversy is now in the hands of Caldwell Jenkins, a federal conciliator.

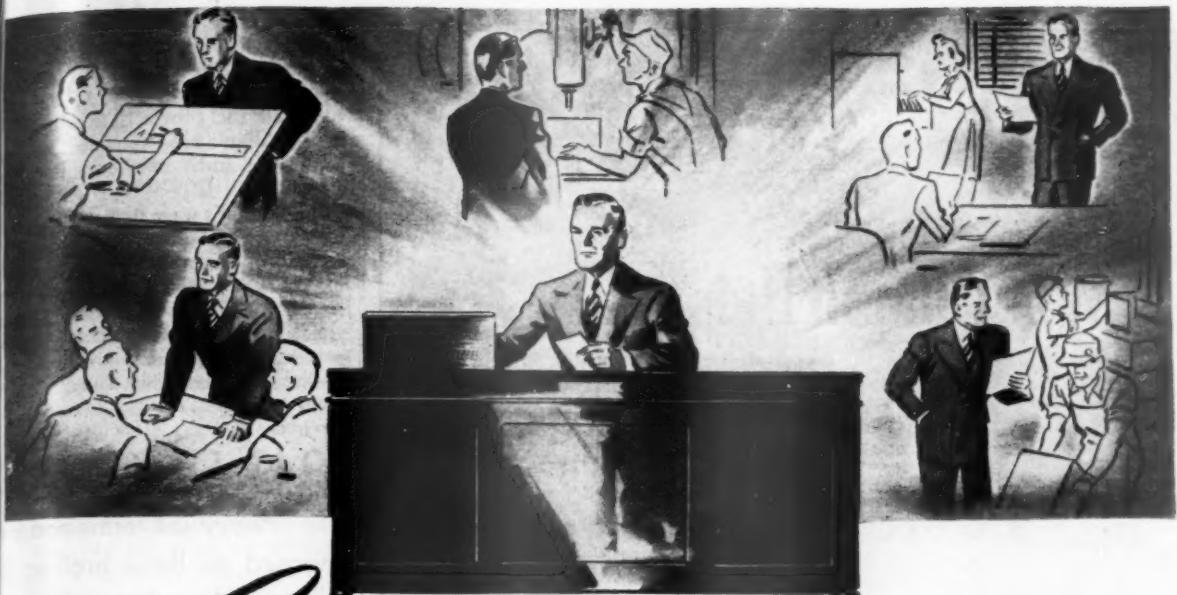
When the parley broke up in disagreement last week, the conferees ap-



HEAD MAN

Current result of Joe Curran's dispute of long standing with New York's Selective Service Appeals Board: Joe Curran is in I-A. Head of the C.I.O.'s National Maritime Union, Curran (above) announces his organization's decision to appeal the classification

slapped on him while he was aboard a merchant ship at sea. And to President Roosevelt will fall the ticklish job of deciding how indispensable to the war effort is a union official. Only happy solution would be to have Curran volunteer—a course of action which was being urged on the union leader by fellow laborites this week.



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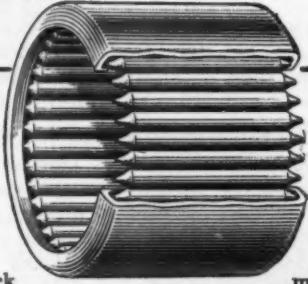
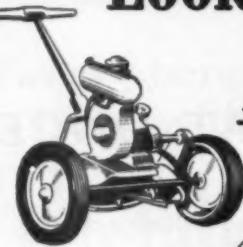
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pealed jointly to the U.S. Labor Conciliation Service to intervene, and that fails to effect a settlement, to refer the dispute to NWLB. In the meantime, all the contracts, which expire Sept. 30, have been extended by mutual agreement until new ones have been signed.

The union's wage demands are such week-end and holiday overtime, a graduated form of incentive pay—that nothing short of a dictum from NWLB can resolve the controversy unless the unions yield. The shipping companies have contended that such concessions would result in an excessive burden on taxpayers.

1943 Sweatshop

Heavy jail terms and fines imposed on three brothers for bilking girl workers who were sewing shirts for soldiers.

Tales of sweatshop conditions in the era of minimum wages and maximum hours echoed in the U. S. District Court at Philadelphia last week as girls—mostly in their middle teens—told how they were defrauded by the D. & D. Shirts Co. of Allentown, Pa. At the conclusion of testimony, Judge Harry E. Kalodner sentenced the three Dasher brothers, its owners, to some of the longest jail terms and heaviest fines ever imposed under the wage-and-hours law.

• The Sentences—For Harry, it was six months' imprisonment on one count and a six months' term, to run concurrently, on 60 other counts. Nathan received a six months' suspended sentence and probation for two years, a fine of \$15,500. Isadore's sentence was three months' imprisonment, a fine of \$6,200. In addition, they were ordered to restore \$32,450 to their employees.

Assistant U. S. Attorney James P. McCormick told the court the brothers falsified wage records while making Army and Wac shirts under a \$250,000 contract. He said, among other things, they unlocked and manipulated mechanical time clocks, directed employees not to check in or out while working Saturday and not to record overtime. When the latter was recorded, he charged, it was deducted from workers' pay the following week.

• Restitution Argument—Morris Wolf, attorney for the defendants, challenged the government's assertion that employees had been defrauded of \$32,450, claiming the amount was only between \$2,500 and \$5,000. Judge Kalodner directed that the restitution order stand, however, when McCormick asserted that the government could have added 40 or more counts to the criminal information of manipulation.

Labor and on Workers

Employers in Portland (Ore.)
are told just how many
men they may have with naval
construction heading list.

Shipyards and other essential war industries in the metropolitan area of Portland, Ore., now know that the War Manpower Commission's last West Coast directive from President Roosevelt has teeth. This week employment ceilings were slapped on the industries by L. C. Stoll, state war manpower director, in the most drastic action yet taken to solve labor needs.

They Won't Get Men—Only exceptions are naval shipbuilders and subcontractors, who are allowed 10,000 additional men to come from out of state. The rest of the Coast's industries are limited 46,000 additional workers they figured they would need by Jan. 1, 1944.

Largest gainer is Henry Kaiser's Vancouver (Wash.) yard which is building four aircraft carriers for the Navy. The Navy wants production stepped up. The Kaiser payroll will be raised to above 30,000 workers. Kaiser's Oregon Shipbuilding Corp., which in September delivered 24 Liberty freighters, will lose 1,000 of its present 34,000 workers. Edward F. Kaiser, general manager of these two shipyards and that at Swan Island, had a lot of long-distance complaining from Washington, D. C., where he is much of the time, but the manpower committee stood by its plans.

Change in Production—It said that Kaiser didn't need to set any more records for Liberties, because shortly his yards will be shifted to the faster Victory freighters. The same was true for Swan Island where the management had wanted 10,000 more workers.

Tanker production is going along all right, the committee indicated, telling Kaiser, in effect, that he doesn't need 10,000 to try to set a tanker record.

A small yard, Gunderson Brothers, which first gained publicity by receiving a whopping Maritime Commission contract for building plywood lifeboats, will receive a substantially increased number of workers. This concern now is building barges—a Navy "must."

Needs Clarified—"For the first time, the Army, Navy, and Maritime Commission high commands have definitely told the local area what the urgent needs are for war production—and when it is needed," Stoll said in explaining his sweeping order. "Accordingly, we have set up the labor priorities program in this area and have, by putting first things first, reduced the total labor requirements needs by Jan. 1, 1944, by 46,000 persons."

Replacements, it was pointed out, will

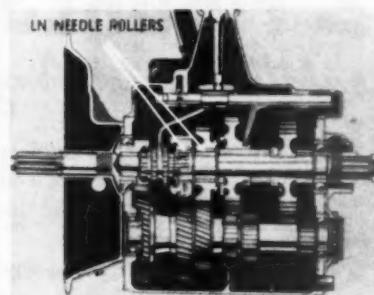
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LARGE MILLING JOBS with the speed, flexibility and ease of control usually confined to smaller machines are made possible by this large Planer Milling Machine manufactured by the G. A. Gray Company. Heavy-duty Needle Bearings and Roller Thrust Bearings are combined in an application on the spiral pinion mounting. Because this pinion drives the heavy work and work table, and because torsional stiffness is a prime requisite, the pinion diameter must be kept small and the shaft diameter as large as possible.



LIFTING TWO-AND-A-HALF TON LOADS is the job of this Standard Fork Truck. Built by the Automatic Transportation Company, here again Needle Bearings with their high load capacity and low friction coefficient were selected for the sprockets at both ends of the chain hoist which raises the telescopic uprights.



UNUSUAL EASE IN SHIFTING, quietness, and long life under heavy service, are virtues of this Helical Gear Transmission made by the Clark Equipment Company. The illustration shows the compact design permitted by Needle Rollers on the mainshaft gears. This type anti-friction bearing greatly aids the efficiency of this unit.

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come from nonessential industries
cally. While Stoll did not say so, it
understood much pressure will be
on nonessentials by their draft board
• Periodic Reviews—Changes in ceiling
and manpower priorities will be
nounced by Stoll from time to time
based on careful analysis of urgency
the war product itself, as well as in re-
lation to the proper utilization of labor.

Postwar U.A.W.

Big C.I.O. union reveals
militant attitude and promises
to settle some scores as soon
as war effort permits.

The curtain was raised on organized
labor's postwar planning this week when
the nation's largest union—C.I.O.'s
United Automobile, Aircraft & Agri-
cultural Implement Workers of America,
1,077,889 members—met in Buffalo for
its annual convention. Although wartime
industrial and governmental relations
were really the central interest, the
public was vouchsafed a fuller view than
ever before of what labor will do when
peace comes.

• Program Isn't Peaceful—The previous
suggests that, as far as the automobile
industry is concerned, the war has
eliminated the frictions in union-
management relations, that major battles
have only been deferred, that peace
abroad will be the signal for renewing
strikes in Detroit, Flint, Saginaw, Cle-
land, and other auto centers.

U.A.W.'s president, R. J. Thomas,
set the postwar tone the day the con-
vention opened. He declared he was
the union president who, before the
war, had authorized more strikes than
any other labor official in the country
and he promises to maintain his record
if the industry continues its present
policies.

• Scores to Settle—In a special attack
on Chrysler for "refusing to bargain
collectively on top of the table with
their workers," he sharpened his
dictum of the industry, threatening all
employers and promising to settle
accounts just as soon as it can be done
without interfering with the war effort.

Such statements—roundly applauded
by the delegates—are double-edged in
their intent. On the one hand, they
least render lip service to the no-strike
pledge at a time when some local
groups are restive under this restraint.
On the other, they are bargaining pres-
sures designed to win concessions from
employers who may be intimidated by
a union pledge to get even later.

• Program in General—In the broad
field of public policy, U.A.W.'s post-
war program calls for federal measures
to assure full production and full em-



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In the Postoffice, a letter sorter recognizes the district number where every address belongs . . . pops the letter into the proper slot. The postman's bag gets it next, then it's delivered.

The postal service has lost thousands of men to the armed forces—including a lot of letter sorters. It takes up to four years to train an accurate sorter . . . The new Postal Unit Delivery Numbers take the place of the four years we can't afford to wait! The Post Office has asked that the numbers be used as a part of the address in 124 cities where sorting is a problem . . . Check your address books, mailing lists, and stencils, and make sure the Unit Delivery Number is part of the address for every city where it is in use. The Unit Delivery numbers save the new sorter the time of finding the number, help the Post Office at a critical time, get your own letters delivered without delay . . . prevent the bottlenecks in business mail. Prompt cooperation on your part will keep the best postal service in the world working at its usual high standard, save the country millions of days lost in delayed letters! Check your office today!

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manufacturer of Postage Meters in the world
... Now devoted exclusively to war production.



ment through government ownership and operation of monopolistic industries and of industries strategically important to national safety; for public enterprises of many types to provide immediate and continuing employment; for a gigantic program of housing construction; for rehabilitation and reactivation of small business; for reduction of working hours without reduction of pay; for a comprehensive farm program for maximum production; and health, education, and security programs, financed on the basis of "ability to pay" beyond anything so far discussed by Congress.

To get what it wants, U.A.W. intends to participate in politics. Well-endowed with unprecedented dues payments (\$300,000 a month pours into national office from this source alone) and free from unionism's biggest expense (the financing of strikes), auto workers will have money to spend in local, state, and national elections. Favorites will likely be New Dealers as distinct from Roosevelt, for U.A.W. sees a difference between Henry Wallace and, say, Harry Hopkins who, the union feels, is a one-issue friend now preoccupied with something other than domestic reform.

Wanted Now—The U.A.W.'s immediate program is to break the Little Steel program or get a cost-of-living back that will restore last year's wages (and nobody has any idea that the latter will come about). This, with other key objectives, is written into the demands U.A.W. has made on General Motors—and the demands establish the pattern for what other employers dealing with C.I.O. may expect. The General Motors demands are:

- (1) That the employer join with the union in requesting the National War Labor Board to institute an industry-wide wage stabilization policy that will provide for a master wage agreement based on equal pay for equal work regardless of the product manufactured and the location of the plant.

- (2) That a 48-hour work-week be established under which 48-hour pay will be guaranteed to employees who work more than that through no fault of their own. The cost of this would be borne by the government in instances where the work week is due to material shortages or changes in schedules or specifications.
- (3) That a \$1-an-hour minimum wage be established.
- (4) That a general wage rate increase sufficient to restore the balance between wages and the cost of living which existed when the Little Steel formula was promulgated, be granted. (If living costs are rolled back, the pay increase demand will be withdrawn.)
- (5) That the employer set up a post-war security fund equal to its postwar contingency fund. Upon the termination of the war and during the conversion



Specifications

Heavy enough for production work (over 6 feet high, weight close to 700 lbs.).

Wheel 7x1/2", 1 1/4" bore; minimum cup wheel 3 1/2" dia.

Capacity (under 7" wheel) 9 1/2" to table — 6" to Browne & Sharpe No. 510 Magnetic Chuck (not furnished).

Maximum surface that can be ground: Length 13 1/2", width 6" (table surface 5 3/4"x13")

Hand operated.

Traverse feed, one graduation is .001".

Coarse vertical adjustment (wheel at top left), 9 1/2" range.

Micrometer adjustment 3/8" range, each graduation is .0005".

Two spindle speeds: 3200 or 4200 r.p.m. with 60 cy. motor.

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POTTSVILLE, PENNSYLVANIA, U.S.A.

sion from war to civilian production employees who are on seniority lists and those returning from service with the armed forces and for whom the employer cannot provide a full week's work of at least 40 hours shall be paid an allowance from this fund to supplement their unemployment compensation.

• And in Washington—U.A.W. also will fight for a larger place for organized labor in the direction of the war effort. It wants a union man to supplant Paul V. McNutt as head of the War Manpower Commission; it is determinedly opposed to any type of national service legislation; it wants more representation in WPB, being particularly critical of the direction of the labor-management plant committee drive; and it wants more pro-union policy from the National War Labor Board.

Until the war ends, U.A.W.'s organizing efforts will be centered largely in aircraft—a field in which it has already spent over \$600,000 this year. Its recent successes in Baltimore plants of Glenn L. Martin Co. and in Wright Aero's New Jersey and Ohio works; now receiving intensive attention are divisions of Bell and Pratt & Whitney.

Incentive O.K'd

NWLB's cautious decision in Grumman case warns that it won't countenance hidden wage increases in any plan.

The National War Labor Board has labeled its approval of a plant-wide incentive pay plan for Grumman Aircraft Engineering Corp., Bethpage, N.Y., as an experiment. Very cautious, the board warns that payment of incentives should not be regarded as a cure-all for production and manpower ills. The board's decision, nevertheless, is significant as a guidepost, because it is the first incentive case in which the board has ventured to discuss the proposition at any length and in which it has laid down criterions for its consideration of incentive plans (BW—Aug. 14 '43, p82). • **Unions Can Veto**—The board announced that it would not approve incentive plans in dispute cases—thus giving union labor an effective veto over installation of incentives in organized plants. NWLB's reasoning is that a plan won't work if it is a subject of controversy. The agency added that it would not inspect the production merits of any plan but would merely review it for "hidden" wage increases.

A.F.L. and C.I.O. members voted to approve the Grumman plan with the rest of the board, but hastened to explain that they did so because the plant was unorganized, leaving the company free to install the plan. Subsequently,

A.F.L. disclosed that current copies lists its monthly publication—the Federation—then still on the presses—concerned a blast at incentive plans. C.I.O. members of the board in a concurring opinion qualified their approval of the plan and suggested that future plans should be coupled with provisions for a guaranteed work-week.

One for Two—The Grumman plan is the essence of simplicity. It provides workers with a wage increase of 1% for each 2% increase in production, measured on a plant-wide basis. Foremen, production workers, and even janitors will share in the reward.

NWLB Vice-Chairman George W. Taylor indicated he would have preferred a plan providing workers with the same percentage increase indicated by the production climb, and C.I.O. members said they were instructing their affiliates not to agree to any plan elsewhere which did not match the production increase percent for percent.

Basing Point—A "normal" plant-wide production rate of 0.48 lb. of airframe weight per man-hour actually worked was established as the basing point for the Grumman system.

BENEFITS EASE DISMISSAL

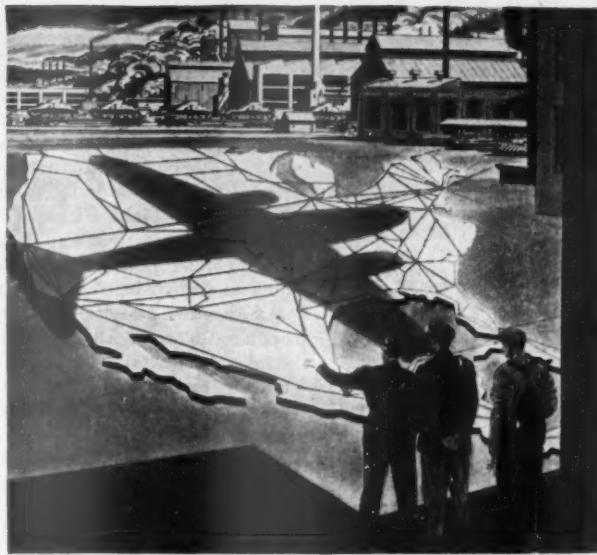
An elaborate system of special benefits to ease the shock of mass dismissals growing out of Office of Defense Transportation milk-route mileage-saving orders is provided in the decision of Norman J. Ware, special representative of the National War Labor Board, authorizing the two major New York City milk distributors to lay off 958 milk wagon drivers or transfer them to lower-paying jobs.

The ODT order has been largely inoperative for months because of the refusal of the well-intrenched A.F.L. teamsters to permit layoffs, and when the Ware decision went into effect this week, an epidemic of "sickness" among Sheffield drivers effectively halted deliveries throughout the metropolitan area.

Possibly an important precedent for handling other war-imposed dismissals, Ware's order provides severance pay up to a maximum of ten weeks' pay for displaced drivers with more than three years' service. Ware authorized the companies to transfer the displaced drivers to lower-paying jobs, but stipulated that they maintain previous pay levels for 25 to 40 weeks.

Transferred workers and those laid off with severance pay retain their established seniority rights to their former jobs and must be reemployed as vacancies appear. Employees who refuse to accept transfer to another job automatically forfeit their seniority rights, but are to receive severance pay at a lower scale—a maximum of six weeks' pay for more than four years' service.

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LEGAL NOTICE

STATEMENT OF THE OWNERSHIP, MANAGEMENT,
CIRCULATION, ETC., REQUIRED BY THE
ACTS OF CONGRESS OF AUGUST 24,
1912, AND MARCH 3, 1933

Of Business Week, published weekly at Albany, N. Y.,
for October 1, 1943.
State of New York { as.
County of New York { as.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared J. A. Gerard, who, having been duly sworn according to law, deposes and says, that he is the Secretary of the McGraw-Hill Publishing Company, Inc., publisher of Business Week, and has the following to say, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, as amended by the Act of March 3, 1933, embodied in section 337, Postal Laws and Regulations, printed on the reverse of this form, with the following:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, McGraw-Hill Publishing Company, Inc., 330 West 42nd St., N. Y. C. 18; Editor, Ralph B. Smith, 330 West 42nd St., N. Y. C. 18; Managing Editor, Louis Engel, 330 West 42nd St., N. Y. C. 18; Business Manager, Paul Montgomery; 330 West 42nd St., N. Y. C. 18.

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3. That the known bondholders, mortgagees, and other security holders, owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company, but also in case where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the twelve months preceding the date shown above is. (This information is required from daily publications only.)

J. A. GERARD, Secretary.

MCGRAW-HILL PUBLISHING COMPANY, INC.
Sworn to and subscribed before me this 29th day of September, 1943.

EMILY Z. SHEPARD,

Notary Public, New York County, New York Clerk's
No. 768, N. Y. Co. Reg. No. 481275.

(My commission expires March 30, 1944)



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Payroll Savings Plan!

FINANCE

Packers' Recovery

Financial woes visited on
Armour & Co. by the troubles of
J. Ogden Armour seem finally
to be about cleaned up.

This war bids fair to clean up the damages the last war did to Armour & Co. And the story of the intervening years provides the financial world with one of the most fascinating sagas of modern American industrialism.

• From the Gold Fields—Philip Danforth Armour arrived in Chicago in the early 1860's by a circuitous route since he had dallied briefly in the gold fields of California and for a short time had operated a small packing house in Milwaukee. However, he wasn't long in finding his spot in Chicago, already a bustling town, and from the first, he was a meat packer.

It was due to his foresight and acumen that P. D. Armour's first Chicago connection, H. O. Armour & Co. (a concern started earlier by his brother), soon gave up its original commission grain business and started operating a small pork packing plant. Before his death, Armour & Co. had grown into the second largest factor in the meat packing field.

• Passing the Reins—P. D., while his company was growing, tried to assure a continuance of his brand of management by leaving a son, Jonathan Ogden Armour, meticulously trained in the business. And J. Ogden (Jonathan was soon junked), though only a Yale freshman when control of the company was thrust upon him at his father's death in 1901, for a time seemed to live up to the latter's fondest hopes. In fact, by late 1918, the \$100,000,000 business he had taken over had become almost a \$1,000,000,000 proposition, with profits in one war year exceeding \$21,000,000.

However, the picture really wasn't quite that pretty. J. Ogden, unlike P. D., was never "just a meat man." His outside interests were many, and they had begun to require large amounts of his personal funds and time.

• Troubles Show Up—Close scrutiny of Armour & Co. figures, moreover, showed results arising from his lack of attention to its affairs. Inventories between 1916 and 1919 were allowed to rise over \$100,000,000 to \$159,000,000. Receivables had risen another \$100,000,000, also, and \$60,000,000 had to be borrowed from banks in 1917 to help carry the load.

Armour & Co. thus proved most vulnerable when the war price bubble burst and hogs dropped from 12¢ to 7¢, and hams from 38¢ to 20¢. The government's postwar dumping of huge food supplies also made tons of Armour products virtually unsaleable for a time. In 1920-21-22, therefore, the Armour business suffered terrific losses, with \$32,000,000 deficit recorded in one year alone. Bank loans rose rapidly, and the company found it necessary in 1920 to sell a new \$60,000,000 bond issue.

• Personal Problems—At the same time J. Ogden was having serious trouble with his outside interests. Armour Leather Co., for example, lost over \$11,000,000 in two years. His Armour Grain Co., once so prominent, had to fold up after its suspension from the Chicago Board of Trade, and his Sutter Basin irrigation project likewise continued to swallow up millions without giving any return.

Armour, probably because of his 70% interest therein and supreme control of its affairs, showed no hesitancy in borrowing Armour & Co. funds to bolster his sagging personal empire. In time such loans reached \$56,000,000.

However, the handwriting was on the wall. The concern itself began to stagger under its heavy load of bank loans and funded debt, plus a shrinkage of \$90,000,000 in working capital.

• Family Has to Help—Bank creditors had to step in and plan drastic steps to save the company. J. Ogden was extended a \$20,000,000 loan so that he could pay part of his debt to the business—but to get the money he had to strip himself of all personal assets considered acceptable collateral. Assets of his wife and daughter had to be thrown in, and two nephews also lent a hand by guaranteeing \$8,000,000 of the loan.

Armour's resignation (some say he had long since sickened of the meat packing business) soon followed. A face-saving announcement was made which few believed, and his stock in the company was gradually sold off in the years that followed.

A year after his death in 1927, the voting trust set up to protect Armour's creditors was finally dissolved. All his debts were paid, and a respectable sum was left for his family. Later on Mrs. Armour was also to cash-in, to the tune of \$10,000,000 on some Universal Oil Products stock sneered at for collateral purposes years before by the bankers.

• Properties Divided—To save the Armour business, the bankers quickly organized Armour & Co. (Del.), a new subsidiary designed to take over all the important operating properties. These

was found, had been able to earn \$100,000 in the first ten months of 1942, despite events, so it was no trick for the new company to get a good price on \$50,000,000 of 5½% bonds and \$10,000,000 on 7% preferred stock. Armour of Illinois had to guarantee the Delaware preferred.

The parent, Armour & Co. (Ill.), received all the new company's common stock plus the proceeds of the security issues. With this cash, it was able to hire pressing loans and remove the specter of bankruptcy.

Big Capitalization—However, the new company did create a very heavy capitalization as, on a consolidated basis, funded debt totaled \$100,000,000; there was outstanding \$119,000,000 in two preferred stock issues followed by the common. Funded debt was further increased before long by a merger with Morris & Co. and the sale of \$10,000,000 additional 5½% bonds of the Delaware company.

The management ever since has been anxious to clean up the capital structure. As a result of such efforts, by Oct. 31, 1942, the funded debt had been reduced almost to \$62,000,000 and all but \$6,370,000 of the old Armour of Illinois 5% preferred replaced by \$53,300,000 6½% stock.

Unhealthy Situation—Yet the Delaware-Illinois Siamese twin was a dangerous thing. The Illinois company had commanded little credit standing at any time since the washing up of the Ogden Armour debacle, largely due to the burdensome guarantee of the Delaware stock. Ownership of the good properties gave the Delaware subsidiary sturdy earnings while the Illinois parent watched cumulative dividends pile up on its preferred stock until quite recently.

This year came the opportunity to merge the two companies, and the management was quick to take advantage of it. First of all, holders of the Delaware guaranteed preferred were offered a chance to exchange their shares for new Armour (Ill.) 7% debentures. Then stockholders voted a merger, formally effected late last month.

Ready for a Last Step—Now Armour of Illinois has its profitable properties back—but it also has a funded debt totaling \$113,000,000 on which annual interest and sinking fund charges run \$10,500,000. Next need is to replace a large part of these bonds at lower rates of interest; financial circles look for a refunding issue of as much as \$75,000,000 before the year ends.

The final cleanup will be aided by earnings—\$14,840,000, \$26,400,000, and \$30,000,000 available for bond service for the last three fiscal years after giving effect to the merger. And, with any luck at all, Armour & Co. will come out of this war with all the last war's damages repaired.



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THE MARKETS

Towards the end of last week, stocks finally managed to show a firmer tone and to interrupt, temporarily, the slow but steady downtrend the market had been in over the preceding few days. However, trading volume, even last week, disclosed an ebbing tendency, and this trend has since persisted. Meanwhile, prices have resumed their slow decline, undoubtedly being influenced, in this connection, by publication of the Treasury's drastic 1944 tax proposals.

• **Uncertainty Prevails**—Wall Street, generally, had been hoping that more interest in its security markets might be shown after the Third War Loan drive had ceased. The failure of this to happen thus far has been discouraging. As a result, many market observers are now more uncertain than for some time past regarding the direction that prices as a whole may take over the intermediate term.

Actually, about the most definite guess that can be pried out of some usually loquacious forecasters is that the market should enjoy a rise before 1943 has ended. But to show how confused even such observers are, that prediction really seems pretty much based on the fact that industrial stocks have shown rises in 30 out of the last 45 Decembers.

• **More New Issues**—The security underwriting group, however, expects October to prove one of the busiest months of 1943 in its line. It can stand a little activity, too, because September, with offerings concentrated in the short period before the government's financing started, saw only six new issues, totaling but \$42,000,000, sold to the public.

Starting the October parade was Tuesday's offering by 56 houses of \$20,000,000 P. Lorillard Co. 3% 20-year de-

bentures at a price of 101½, with the same group also underwriting a simultaneous offering to stockholders of 374,391 shares of \$10 par common at \$14 a share. The bonds received a warm reception, and a price of 102 was soon bid for them in the over-the-counter market.

• **Others Are Coming**—Which of the other large issues now contemplated will hit the market first is difficult to determine. However, Florida Power & Light plans soon to sell at competitive bidding \$45,000,000 first mortgage bonds, \$10,000,000 debentures, and 140,000 shares of preferred stock. Also, an offering of \$22,000,000 Laclede Gas Light Co. first mortgage bonds and debentures is expected to be sold at competitive bidding any day now.

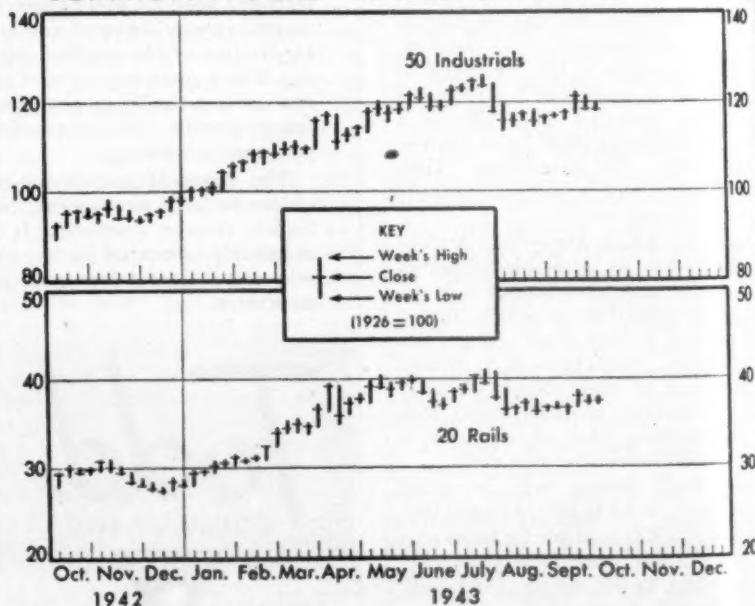
Syndicates, in addition, are already awaiting the signal to offer publicly \$16,000,000 California Electric Power 3½% preferred stock issue. The taking over, on Oct. 15, of Eastern Shore Public Service by Delaware Power & Light should involve, as well, a sale by the latter of \$15,000,000 mortgage and collateral trust bonds plus 40,000 shares of preferred.

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial	118.4	118.5	117.2	92.4
Railroad	37.5	37.4	36.8	29.4
Utility	51.2	51.4	51.0	32.4
Bonds				
Industrial	117.2	117.3	117.3	110.8
Railroad	98.0	98.2	98.8	87.8
Utility	115.5	115.7	115.8	106.6
U. S. Govt.	113.2	113.2	112.9	109.9

Data: Standard & Poor's Corp except for government bonds which are from the Federal Reserve Bank of New York.

COMMON STOCKS—A WEEKLY RECORD



Drive over Top

Incomplete figure on sale of war bonds indicates the total fell short of April campaign, but banks were barred this time.

As usually is the case, there was a lull of interest during the final days of the Third War Loan drive which closed on Saturday. As a result, subscriptions, according to late Treasury estimates, topped the \$15,000,000,000 goal set for the nation by some 16%, or around \$2,400,000,000.

Comparative Records—Last April's bond campaign brought in more—a total of \$18,500,000,000—but some \$5,100,000,000 represented commercial bank buying. The banks were specifically excluded in the drive just ended. Consequently, the September financing brought into the Treasury the largest amount of nonbank funds ever secured by any government offering thus far in world history.

The oversubscription already registered will be adjusted upward when all the figures are in (some insist up to \$3,000,000,000) since, by direction of the Treasury, all sales of Series E, F, and G bonds processed through Oct. 16 will be included in the drive's grand total.

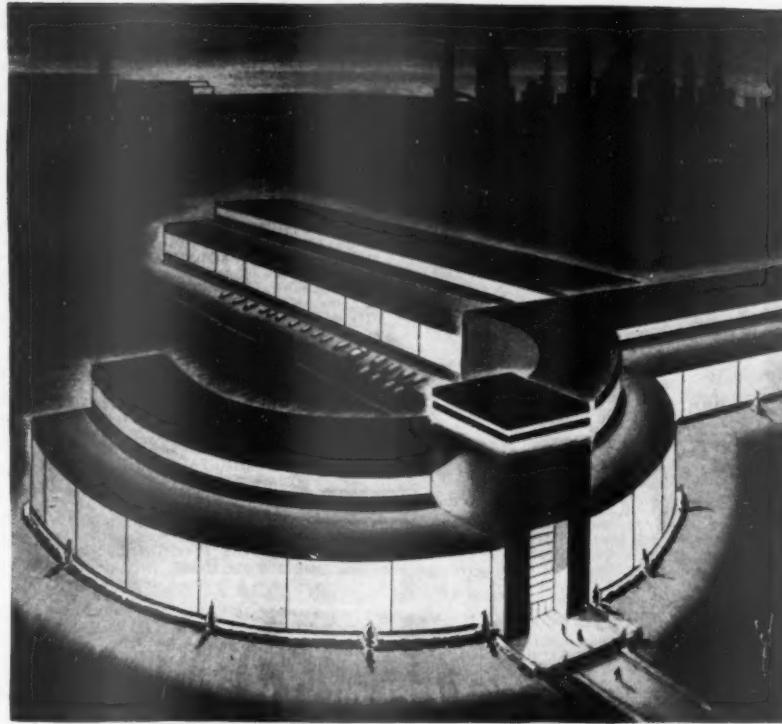
Complete details will not be available, the Treasury says, until after mid-October, since there are over 60,000 individual issuing agencies to report. However, reports thus far show that at least 29 states exceeded the quotas set for them, and additions to the list are expected as more returns come in.

Some Results—Thus no analysis of national results is possible. However, early New York returns may offer a clue since the Empire State, with New York City, provided the Treasury with its biggest supply of funds. On a quota of \$4,709,000,000, it actually poured into the nation's till some \$5,450,000,000. New York City accounted for over \$4,800,000,000 of this vs. an original quota of \$4,165,755,000.

The 2% bonds of 1951-53, suited to large investors like insurance companies and savings banks, proved New York State's most popular issue, probably providing about 36% of the total funds secured in the area. Savings banks alone took some \$600,000,000 of the bonds in addition to purchases of but \$150,000,000 of the 2½'s, 1969.

Other Investors' Tastes—The insurance companies bought almost \$400,000,000 of 2's. However, that group, generally, followed its traditional policy of concentrating on the longer-term 2½'s, taking close to \$800,000,000 of the latter.

Corporations bought about \$300,000,000 of 2's and around half that



Modern Designing foretells the future

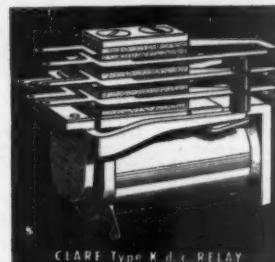
The modern factory building bears little resemblance to those built fifty years ago. Today's factory is designed with the requirements of today and tomorrow definitely in mind.

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amount of 24's. However, the 5% certificates of indebtedness proved the most popular with such buyers, as their purchases of the latter exceeded \$12,000,000.

• Individual Buyers Come Through—Through the campaign there were intimations that the ordinary individual was lagging far behind the parade-in fact, lying down on the job. Now that approximate results are available, however, it is found that much of the talk was just to stimulate the drive.

The New York City quota for individuals was \$542,386,000, and it was met with something to spare. Statewide sales, at last report, were \$67,000,000 short of reaching the goal set, but they were close to \$730,000,000. When all returns are in, the quota should be exceeded.

Also, in the first 20 days of the drive the sale of \$100 bonds more than doubled the April figure. Total sales to individuals, too, exceeded those of last spring by a 22% margin.

• The Banks' Turn—With the Third War Loan campaign over, the commercial banks are getting a chance this week to help Uncle Sam. They are being offered \$1,500,000,000 of 2's, 1951-53, plus the same amount of the 5% certificates of indebtedness.

Banks having any of the \$1,400,000,000 34's, 1943-45 called for payment on Oct. 15 or the \$2,035,000,000 5% certificates maturing Nov. 1 may exchange such holdings for the new 2's.

UTILITY PUSHES PLAN

North American Co., since presenting its plan for complying with the holding company law's death sentence (BW-Aug. 7 '43, p105), has been letting no grass grow under its feet. At the outset of hearings on the plan before the Securities & Exchange Commission in late August, the company said it had no intention of starting any long parade of witnesses to the stand to testify favorably on the proposals. The hearing was actually completed in one day—a new record for speed in that connection.

By last week, moreover, the company had not only requested but had secured SEC approval of the sale of \$34,881,500 of notes to a group of ten banks. This is one of the important steps outlined in its dissolution proposals since it is with the proceeds of these notes, which are secured by the pledge of all common stock of its five main operating subsidiaries, that the concern is retiring all its own publicly outstanding funded debt—\$34,150,000 of 34% and 34% debentures.

By retiring this funded debt, North American not only reduces substantially its annual interest charges but also removes certain indenture covenants standing in the way of its proposed liquidation plan.

THE TRADING POST

Dear Correspondence

Readers of Business Week will soon be hearing more from its foreign editor, J. F. Chapman. In these pages, he will report directly on all that he has seen and of significance to war and post-war business in a five-months' journey through the fringes of the European conflict from Britain to North Africa, Cairo, Teheran, and—by the indications of his latest cable—Italy.

Meanwhile, from his delayed letters to the home office, come reports of what such a journey is like these days—or byproducts of his trip that I find interesting to keep to myself.

* * *

CAIRO—Just back from Ankara and Istanbul. Until this trip all my moves have been by plane, but this time trouble developed. Caught a plane from here to Adana, just inside Turkey, where we spent the night at what was formerly a girls' school outside the town. In the morning boarded a new four-engined ten-seat de Haviland for the trip to Ankara although news had arrived that Ambassador Steinhardt and staff had moved to Istanbul for the summer.

In Ankara found a skeleton staff at the Embassy with whom I had lunch, cocktails, and a late dinner at an open-air restaurant near the railroad station. I was the first American to have an American Express Check honored in Ankara since the war—at least without much cabling.

The flight to Istanbul takes only two hours and an Embassy car met me at the airport to take me to my hotel where reservations had been made. Next door is the German Embassy, whence many hotel guests were from inside the Axis. But German influence in the country is waning and "tourists" are on the decline. In the harbor are one German and one Italian steamer—both small—plying between Istanbul and Greece and Italy. Apparently the Russians keep the Black Sea pretty well controlled.

Turkey is quiet but alert—900,000 men in uniform. Back in Ankara—after missing a plane from Istanbul and going by train—had lunch with the Chinese minister who hails from Manchuria and speaks the Chinese dialect I learned when I was there. I found him one of the best-informed men in this part of the world. The British Ambassador Sir Hugh Knatchbull-Hugusen was not in Ankara but I met his family and a large number of the staff.

Grabbed a plane to Adana in the hope of catching the once-a-week flight

to Cairo. Missed. Dashed into town to try to catch the twice-a-week Taurus "Express." Getting on that train was like catching the last train out of a town just hit by black plague! Managed a sleeper with a young Turkish student and spent some 16 hours going the 150 miles to Aleppo. The heat ran above 100 (at 2 a.m.).

From Aleppo an American official car picked us up for the drive to Beyrouth. A night in a cool hotel on the shore! Rushed by car to Haifa to catch a military plane but missed again and continued on to Tel Aviv. There, rather than await a "possible" plane ride to Cairo, caught a "night train" which cannot here be described except to say there were no sleepers and no diner. We tied our handkerchiefs over our noses as we puffed across the Sinai desert.

* * *

TEHERAN, Iran—As you well know, have spent the last two weeks exchanging cables with four capitals—here unnamed—at least one of which took eleven days for delivery. A week is normal, at least in these parts.

The flight from Cairo took more than a week to arrange but only a day to complete. This is a delightful place—4,000 ft. up and cool—after having experienced night temperatures as high as 123 and daytime heat up to 160. American engineers not far away have descended to cave-dwelling and work only at early dawn and early evening.

Spent the morning making a survey of market prices. Inflation is here. Like a Russian typewriter for \$1,400? Had a long talk with Dr. Millspaugh, the American "money doctor" who came to this country after the last war and returned last year at the request of Iran to assist in financial matters.

I gather that the weakness of the government makes control difficult—impossible without the presence of British, American, and Russian troops. Price control cannot be policed. In the back-country tribal war continues. A big problem will be easing this country back to normalcy with the evacuation of the Allied military forces which are here now to guarantee safe and speedy delivery of goods to Russia.

Trying to write here can be trying. Road-leveler just passed leaving a semi-permanent haze. Native workmen are being allotted their bread ration from a portable set-up outside my billet. There is plenty to go around but the noise and chaos are terrific. I've not learned Iranian but have discovered that it is a language which seems always to be shouted.

W.C. (for J.F.C.)

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THE TREND

CALL FOR BUSINESS MEN

The appointments of Edward R. Stettinius as Under Secretary of State, of Leo T. Crowley as Foreign Economic Administrator, and of W. Averell Harriman as Ambassador to Moscow (BW—Oct. 24, p.5) didn't just happen. They are the most recent and, so far, the most spectacular instances of a trend that you should keep your eye on.

• **Business men, such as these three, are moving up in the New Deal Administration, replacing New Dealers as they go.** They are moving up in the main office now, not just over in the wartime subsidiaries where the New Deal was forced to use business men to deal with business men and business processes. The latest choices for positions of power in the government are plainly something more than necessities of war production. This is the time to see the trend, not a year from now when a familiar political voice may be heard capitalizing on it in a familiar line—"We planned it that way."

One explanation of the upgrading of business men in the New Deal does attribute it to the planning of narrow political strategy. Much, indeed, can be made of the suggestion that the Administration has sensed a "swing to the right" and is swinging with it for political purposes. Old-time, unreconstructed New Dealers will tell you that. In their shaken circles you will hear that the President has wetted his political finger, found the direction of the wind of conservative revolt in Congress, appraised its strength, and decided to go along with it. Some of them will say hopefully that it's just a pre-election maneuver, designed to put the New Deal so close to where it expects to find the Republicans that all of the voters who are swinging to the right will see no real choice except between tried and untried candidates. And some of those who say this expect to get back in the groove early in November, 1944.

• **This explanation may be true so far as it goes, but there is good reason for thinking that it doesn't go far enough, and that the plotters are entangled in a plot that runs deeper than party politics.** For the turn toward business men in governmental administration—a turn to the right that might better be called a turn to hard-headedness—has a global setting, not just a domestic one. Perhaps its chief significance at home may be that it marks the end of a kind of isolationism.

However the New Deal may capitalize the trend for political purposes, the fact is that we are now in a situation that puts a premium on the business talents that it learned to do without in the early days of its reign. Business men are moving up in the Administration, not just because the times recommend concessions to business, but because they have taught us a lesson in the virtues of hard-headedness. And for "the times," you might read Messrs. Churchill and Stalin, among others of our new associates.

In dealing with our wartime allies, the government has found decreasing use for the theoretical competence and the experimental talents of its earlier henchmen. From rubbing shoulders with the long-sighted prime minister and the earthy marshal, it has discovered the dangers of amateurism. Experience has shown that New Dealers of the old stamp and diplomats of the old party line may not be good enough for the professional league in which we are now playing. There is a suspicion that, while the Four Freedoms may be shining political objectives, they won't keep their shine unless they are lacquered with a coating of tough economic doctrine of the kind that business men have learned in the hard school of reality. If "we planned it that way," this is because the war—and the foreshadowing of postwar conflicts over airlines and other international appurtenances to peace and trade—have forced that planning.

• **However, the discovery that, to match wits with the surprising Russians, we must compete in practicality rather than in ideology need not make us a nation of cynics.** Secretary Cordell Hull is far from being a cynic, as his concern with the Four Freedoms and with his own concept of a fifth freedom in the field of international trade demonstrates. Yet, in a recent conference with McGraw-Hill editors, the Secretary laid strong emphasis on the manner in which political effects follow economic causes and in which economic problems have become intertwined with the affairs of state. What he had to say in detail was off the record, but he would be the first to proclaim that this much of his comment has always been on his record for all to read. To Hull, international relations have become a field demanding, above all, the talents for management and negotiation that are popularly ascribed to the business man.

• **Furthermore, in returning national confidence to business men, we are not bound to regret the New Deal,** whatever we may be feeling about New Dealers. The period in which we lived in a "little America" of domestic political experiments, so often launched by braintrusters and theoreticians, thawed out business concepts that had been too long frozen. In some ways, business men have come out of this decade of change better equipped to hold their own in doing business with our businesslike allies. Some of the changes have no more than brought us up to date with the world for which we must leave our isolation. Whether they "planned it that way" or not, some of the trials we have been put through have served to reveal what kind of business ability is most valuable to business—and to the nation.

Perhaps Russia has taught the President that hard-headedness is the final lesson of all revolutions. It's one that Moscow seems to have taken to heart.

The Editors of Business Week

Business Week • October 9, 1943

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